

CHARITY NO: SC023930

COMPANY NO: SC108565

JOBS & BUSINESS GLASGOW

(A company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

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REFERENCE AND ADMINISTRATIVE INFORMATION

Principal Office	231 George St Glasgow G1 1RX
Charity Number:	SC023930
Company Number:	SC108565
Trustees	Bailie Hanif Raja Councillor Emma Gillan Malcolm Maclean Graham Councillor Susan Aitken Peter Marsh Douglas Baillie Councillor Jim Coleman
Secretary:	Caroline Whyteside
Senior Management Team:	Malcolm Maclean Graham (currently suspended) Martin Booth Caroline Whyteside Stephen Brooks (left on 06/05/16) Tommy Docherty Caroline Glen (left on 30/06/16) Gary Hay Nancy Burns (left on 13/05/16) Mary-Theresa Smith (left on 20/05/16) Rob Pryce (left on 03/05/16)
Independent Auditors	Wylie & Bisset LLP 168 Bath Street Glasgow G2 4TP
Bankers	Bank of Scotland PLC Argyle St Glasgow G2 8BU
Solicitors	DWF LLP 110 Queen St Glasgow G1 3HO Brodies LLP Monteith House George Square, 110 Queen St, Glasgow G1 3BX

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2016

The Trustees are pleased to present their report together with the financial statements of the charity for the year ended 31 March 2016. The legal and administrative information on page one forms part of this report.

Directors and Trustees

The directors of the charitable company (the charity) are its Trustees for the purpose of charity law and throughout this report are collectively referred to as the Trustees.

The Trustees who served during the year and since the year end (except otherwise noted) were as follows:

Bailie Jonathan Findlay (resigned 29/10/15)
Bailie Hanif Raja
Councillor Emma Gillan
Councillor John Kelly (passed away 26/07/16)
Councillor Susan Aitken
Councillor Maureen Burke (appointed 29/10/15, resigned 28/06/16)
Donna Vallance (Higgins) (resigned 11/02/16)
Caroline Stuart (resigned 08/12/15)
Alistair McManus (resigned 04/05/16)
Daniel Donald (resigned 15/03/16)
Malcolm Maclean Graham
Jim McKenna (appointed 25/06/15, resigned 19/08/2016)
Peter Marsh (appointed 04/04/16)
Douglas Baillie (appointed 04/04/16)
Councillor Jim Coleman (appointed 28/06/16)

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Attendance at Board Meetings

The following table shows the attendance of Board Members at Board meetings during the year. There were 8 board meetings in the period April 2015 to March 2016.

Board Member	24 June 2015	26 Aug 2015	25 Nov 2015	14 Dec 2015	27 Jan 2016	3 Feb 2016	9 Mar 2016	30 Mar 2016	Total Attendance
J Findlay	√	√	√	N/A	N/A	N/A	N/A	N/A	3/3
H Raja	√	√	√	√	√	√	√	√	8/8
E Gillan		√	√	√	√			√	5/8
J Kelly ¹	√	√	√	√					4/8
S Aitken	√		√	√	√	√	√	√	7/8
M Burke	N/A	N/A	√	√	√	√	√	√	6/6
D Vallance				√		√	N/A	N/A	2/6
C Stuart	√	√	√	N/A	N/A	N/A	N/A	N/A	3/3
A McManus				√	√	√	√		4/8
D Donald		√		√		√	√	N/A	4/7
M Graham ²	√	√	√	√					4/8
J McKenna	√		√						2/8
P Marsh	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0/0
D Baillie	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0/0
J Coleman	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0/0

Structure, Governance and Management

As well as being a charity, Jobs & Business Glasgow (JBG) is also a private company limited by guarantee, which is owned by its sole member which is Glasgow City Council. Although JBG is an independent charity it works closely with its member and JBG staff attend and take part in joint working groups and forums across all areas, including Finance, HR, Economic Growth and Business Transformation.

¹ Councillor Kelly had been on long term sick leave since 20/1/16 and passed away 26/07/2016

² M Graham has been suspended since 27/1/16

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Board Decision making

The Board of JBG has a duty to manage the Company and ensure that it carries out the objectives set out in its Memorandum and Articles of Association and in compliance with the Companies Act 2006 and relevant Charities legislation. Its general responsibilities include:

- giving strategic direction to the company
- agreeing JBG's business plan and KPIs
- resolving major policy issues
- monitoring, reviewing and reporting the general performance of JBG and ensuring its objectives are being achieved
- agreeing the budget and allocation of finance to these planned activities
- delegation to subsidiary companies, committees and the Chief Executive
- deciding on the governance and delegated authority levels of the company

Membership

There were two resignations during the year for the Partner Directors (Councillors) and two appointments to immediately replace them. Councillor Jonathan Findlay resigned on 29/10/15 and Councillor Maureen Burke replaced him on the same date. Councillor Maureen Burke resigned on the 28/6/16 and was replaced by Councillor Jim Coleman on the same date.

There were four resignations during the year for the Independent Directors– Caroline Stuart, Donna Vallance, Dan Donald and Alistair McManus resigned from the board on 8/12/15, 11/2/16, 15/3/16 and 4/5/16, respectively. There were three appointments – Jim McKenna, Peter Marsh and Douglas Bailie joined the board on 25/6/15, 4/4/16 and 4/4/16 respectively.

The Executive Director who is also the Company's Chief Executive has been suspended from his post since 27/1/16. There is currently an Interim Chief Executive in place, Martin Booth who is not a board member.

As at the date of signing the accounts, there were three independent director vacancies and one partner director vacancy on the Board. The nominations committee is actively searching for suitable candidates to fill these vacancies.

JBG's Company Secretary is Caroline Whyteside, JBG's Director of Finance & Depute Chief Executive, and she was appointed to this role on 28 February 2012.

Chief Executive Decision making

The Chief Executive is responsible for the day to day administration of JBG. The Chief Executive is ultimately responsible to the Board for the control of resources, seeking economy, efficiency and effectiveness in the use of JBG resources and for ensuring that financial considerations are taken into account at all stages of decision-making. In particular, the Chief Executive:

- enters into normal business commitments and contracts on behalf of the company
- develops, negotiates, seeks funding for and delivers projects and programmes within the scope of the general company strategy and operational plan
- has responsibility for the Senior Management team and the Company Secretary

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Malcolm Maclean Graham has been JBG's Chief Executive since 6th September 2011. As the Chief Executive is currently suspended there is an Interim Chief Executive in place, Martin Booth, who has been in post since 28 January 2016.

Senior Management Team

Up until 27 January 2016, there was a Senior Management team of 8 Senior Managers. However on 27 January 2016, three senior managers were suspended from their posts. These senior managers have subsequently left their posts. In addition, two other senior managers have left their posts, leaving three of the original 8 senior managers still in post.

There is currently an interim senior management structure in place. The current interim arrangements are described in the table below.

Post	Senior Manager	Responsibilities
Director of Finance and Depute Chief Executive	Caroline Whyteside	Finance, company secretarial work, legal, risk management, IT, procurement, project compliance, HR, internal and external communications and marketing. Deputises for the Chief Executive in his absence
Head of Employability & Training	Gary Hay	Adult and Youth employability, community benefits, adult and youth learning, company strategy and funding applications
Head of Property, Childcare & Enterprise	Tommy Docherty	Property, Childcare and Business start-up and support, social enterprise start-up support and advice

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Subsidiaries

JBG currently has two subsidiaries, both of which are non-charitable.

- **Property by Jobs & Business Glasgow (formerly Castlemilk Property Company).** This is JBG's property trading subsidiary and in the future will hold all of JBG's commercial property portfolio.

For most of the year, the membership of this board was as follows

- Donna Vallance (Chair) (resigned 11/02/16)
- Councillor Emma Gillan
- Malcolm Graham
- Dan Donald (resigned 15/03/16)
- Councillor Jonathan Findlay (resigned 29/10/15)

The current Board membership is as follows:

- Councillor Emma Gillan (Chair)
 - Bailie Hanif Raja
 - Councillor Susan Aitken
 - Malcolm Maclean Graham
 - Jim McKenna
 - Peter Marsh
 - Douglas Baillie
- **Regenerate Glasgow.** This is a former joint venture between the 5 former LRAs and is not currently actively trading. This company will be wound up in the coming year.

The current Board membership is as follows:

- Councillor Susan Aitken
- Malcolm Graham

Committees

During 2015/16 there were 4 active committees of the JBG Board. These were:

Finance & Audit Committee

This committee assists the Board of Directors in fulfilling its responsibilities with regard to:

- the oversight of the company's financial statements and auditing, accounting and related processes
- the company's system of internal control regarding finance, accounting and financial reporting
- the property aspects of the company and subsidiaries

This committee aims to meet quarterly. For most of the year, the membership of this committee was as follows:

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- Alistair McManus (Chair) (resigned 04/05/16)
- Bailie Jonathan Findlay (resigned 29/10/15)
- Councillor Maureen Burke (appointed 29/10/15, resigned 28/06/16)
- Councillor Susan Aitken
- Calum Graham
- Brian Davidson (resigned 06/04/16)

Performance & HR Committee

This committee makes recommendations to the Board of Directors in relation to:

- the performance of the company and its achievement against the approved KPIs
- the recruitment, development and retention of staff, in particular, terms and conditions, probation and training and development

This committee aims to meet quarterly. For most of the year, the membership of this committee was as follows:

- Dan Donald (Chair) (resigned 15/03/16)
- Councillor Emma Gillan
- Councillor John Kelly (had been on long term sick since 20/1/16)
- Caroline Stuart (resigned 8/12/15)

Property Committee

This committee makes recommendations to the Board of Directors in relation to:

- the performance of JBG's commercial property portfolio
- the performance of JBG's delivery/operational properties

This committee aims to meet quarterly. For most of the year, the membership of this committee was as follows:

- Donna Vallance (Chair) (resigned 11/2/16)
- Bailie Jonathan Findlay (resigned 29/10/15)
- Calum Graham
- Brian Davidson (resigned 6/4/16)

Nominations Committee

This committee makes recommendations to the Board of Directors in relation to the selection of appropriate individuals for appointment as Independent Directors

This committee meets as and when required. For most of the year, the membership of this committee was as follows:

- Bailie Jonathan Findlay (Chair) (resigned 29/10/15)
- Councillor Maureen Burke (Chair) (appointed 29/10/15, resigned 28/6/16)
- Councillor Susan Aitken
- Elaine Galletly
- Jim Gray

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At the JBG Board meeting on 21 June 2016, it was decided to streamline the number of board committees to reduce duplication and to ensure that the workload was not too onerous on the remaining board members. As a result, the following changes to the committee structure were agreed.

- the disbanding of the Property Committee
- the disbanding of the Performance and HR committee
- the retention of the Nominations committee
- the retention of the Finance & Audit committee
- the retention of the separate Property by JBG subsidiary board

Governing Document

The organisation is a charitable company limited by guarantee, incorporated on 7 January 1988 and registered as a charity on 30th June 1995. The company was established under a Memorandum of Association which sets out its objects and powers and it is governed under its Articles of Association. In the event of the company being wound up the members are required to contribute an amount not exceeding £1 each.

Recruitment and Appointment of Trustees

The directors of the company are also charity trustees for the purposes of charity law and under the company's Articles of Association, they are known as members of the Board.

Under the terms of clause 16 of the articles of association, company membership is open only to Glasgow City Council. Glasgow City Council as sole member may appoint the Board with a maximum number of 11 directors (trustees) and this will comprise:

- A maximum of 5 directors shall be Partner Directors (Elected members of Glasgow City Council)
- A maximum of 5 Directors shall be Independent Directors (Independent business leaders appointed on the basis of their skills and experience)
- No more than one Executive Director

At the conclusion of each AGM of the company, one third of the independent directors shall retire from office. However, there is no limit on the number of occasions on which a given Independent Director can be re-appointed.

The Company's Articles allow for a Nominations Committee to be convened to oversee the recruitment of any Independent Directors. One of the new Independent Directors who was appointed during the year was recruited using an executive search firm. The other two were recruited by using business networks and personal recommendations.

Trustee Induction and Training

A Directors Manual has been prepared and this is made available to all Trustees. This manual describes the various strategic aims of the company and its activities and sets out the responsibilities and statutory duties of the Trustees.

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Training for the Trustees is provided in the form of a number of induction workshops as and when required.

In addition, a Board Development session is run annually to discuss strategic matters with the Chief Executive and Senior Management team. The Board Development session during 2015/16 was held on 3 March 2016 and primarily focussed on the 2016/17 budget and the various financial challenges that lay ahead.

Arrangement for Setting the Pay and Remuneration of Management

The arrangements for setting the pay and remuneration of the charity's key management personnel has primarily been carried out by the JBG Performance and HR committee in the past. This committee is being disbanded and this responsibility will move to the Finance and Audit committee.

The pay and remuneration for most of the senior team was set at merger in 2011 and was based on previous LRA salaries. Since then, as part of a retention strategy, key management personnel were given the option to join the Strathclyde Pension Scheme which they all took up. Recently, salaries have been bench-marked against other council ALEOs and other large charities. The conclusion of this exercise was that the salaries were fairly competitive but probably on the lower range of comparable organisations.

Related Parties

Due to the nature of the charity's operations and the composition of its Trustees, it is inevitable that transactions will take place with companies or other organisations in which a Trustee may have an interest. All transactions involving companies or organisations in which a Trustee may have an interest are conducted at arm's length and in accordance with project and programme rules. Trustees are not permitted to participate in discussions or decisions on transactions involving their related business.

Note 4 of the attached accounts lists all Trustees' related parties. In particular, please note the following:

- Councillor Emma Gillan. As well as being Trustee of JBG she is also a Trustee of Glasgow Life
- Martin Booth. As well as being the Interim Chief Executive of JBG he is also the Director of Finance & Corporate Services of Glasgow Life

In addition, all Trustees are asked to complete a register of interests form which is updated annually and the first agenda item at each Board meeting invites Trustees to declare any interest relating to the Board matters under discussion.

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Objectives and Activities

The purposes of JBG as set out in its articles of association include:

- To relieve unemployment particularly amongst residents of the area served by Glasgow City Council, for the public benefit in such ways as may be thought fit, including assistance to find employment
- To advance education particularly amongst residents of the area served by Glasgow City Council, including the provision of training in skills of all kinds (particularly such skills as will assist the participants in obtaining paid employment)
- To relieve and/or prevent poverty particularly amongst residents of the area served by Glasgow City Council
- To relieve those in need particularly amongst residents of the area served by Glasgow City Council, by reason of age, ill-health, disability, financial hardship, alcohol or drugs dependency, or other disadvantage
- To advance community development and regeneration particularly amongst residents of the area served by Glasgow City Council

In December 2012, the Board developed a 5 year strategy for the period 2013-2018. JBG's mission was described as:

“To work in partnership to create a more resilient business base and support residents to compete for employment opportunities in and beyond the city”

To deliver on this mission, two strategic goals were identified. These are:

- To improve the competitiveness of residents and help to increase Glasgow's employment rate – reducing the gap with Scotland and better performing UK cities
- To improve business resilience and increase the number of sustainable small businesses in Glasgow, moving towards levels achieved by better performing cities

Objectives

In striving to achieve this vision, the overall service activity delivered by JBG is designed to meet the following objectives:

Objective 1: To assist people to meet the skills and qualities required by employers in and beyond Glasgow

Objective 2: To engage with and support Glasgow unemployed residents to sustain employment

Objective 3. To work with others to increase the number of sustainable business start-ups through a more effective business support service for all business types

Objective 4. To work with others to improve resilience and enable more of Glasgow's existing small businesses and social enterprises to sustain and grow

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Objectives (Continued)

Objective 5. To maximise the benefits for Glasgow residents, businesses and social enterprises from developments and investments in the city

In order to ensure the longer term strategy is achieved an annual business plan is developed in the 3 month period just before the start of each new financial year. This describes the activities and projects which will be undertaken, the resources both financial and non financial to be utilised and the specific targets, in the form of KPIs, which require to be met.

JBG recognises this cannot be done in isolation and is therefore committed to partnership working with a wide range of agencies in order to maximise the impact that can be achieved for local communities

Criteria used to assess success

In the 2015/16 financial year, the main criteria we used to assess success included:

- Customer/Client Surveys
- Funders/Partners feedback
- Formal independent project evaluations, usually carried out by external advisers/consultants
- Client case studies
- Amount of positive press coverage
- Client Achievement Awards
- Other Awards
- Satisfactory Internal Audit Reports
- Attendance levels
- Key Performance Indicators

Significant Activities Undertaken

In 2015/16, the main projects which JBG delivered are shown in the table below.

Project	Description of Service
Core Employability (Adult & Youth)	Engagement and advice and guidance to clients at all stages of employability pipeline. Self-referrals in addition to referrals from partner organisations e.g. Jobcentre Plus.
Core Learning	The delivery of all our Lifeskills support and courses including SQA Working with Others (Core Skill); Basic IT, Universal Job Match and Email Attachments ; CSCS training, support and testing; SQA First Aid; REHIS Elementary Food Hygiene and Health and Safety Awareness.

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Project	Description of Service
Core Enterprise	Provides business support to start-up and young businesses, both social and business enterprises.
HR for Business	HR support to businesses in Glasgow.
Bridging Services	Working with a number of client groups e.g. mental health, those with previous sexual offences, veterans
Addictions	One-to-one advice and guidance, tailored support. Referred by Community Addictions Teams.
Adult Literacy & Numeracy (ALN)	ALN trainers delivering literacy and numeracy support to both individuals and groups of clients across the city. SQA Core Skills at SCQF Level 3 in Communications or Numeracy.
Into & Sustaining Employment	Employer involvement including workplace tours, one-day Tasters and four-week work experience
MCMC	16-19yrs; three concentrated areas of support each known locally as Youth Unlimited, Aspiring Women and 'Into work', delivered in partnership with Glasgow Clyde College.
Youth Employability programme	16-24yrs; nine-week programme that provides opportunities for young people who are defined as pre stage 1 or stage 1 within the employability skills pipeline.
GHA Community Janitors	JBG will provide this service from April-June 2016. In July 2016 staff will TUPE to GHA.
Environmental Services	Assisted garden maintenance for eligible Glasgow residents (disabled, over 60 etc).
Glasgow Guarantee	In Work Support for young people who have secured apprenticeships through GCC Glasgow Guarantee
Working Matters	Part of City Deal. Target clients are leavers from the Work Programme
SDS Employability Fund Contract	295 places at Stages 2, 3 and 4. Largest provider in West of Scotland.

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Project	Description of Service
SDS MA Contract	Delivering Business Administration Apprenticeships at both Level 2 and 3. Additional frameworks now in place to deliver including Retail Skills and Customer Service
Clyde Gateway	Dedicated JBG employability adviser to actively engage with residents of Clyde Gateway postcodes.
Govanhill Backcourt Environmental Programme	Working with Govanhill H.A. to provide paid work placements in the Govanhill area. 50% of all recruits should be recognised as from the ROMA community, at least 50% of whom should be of Romanian origin.
Making It Work	Big Lottery funded. Partnership with a number of organisations such as Wise Group and One Parent Families Scotland.
Personal Best	Big Lottery funded. Volunteering programme encompassing engagement, action planning, 10-weeks training, volunteering placement, jobsearch and aftercare.

Grant Making Activities

The JBG Business enterprise team has one grant available of up to £250 per award which is targeted at new start businesses that have been trading up to 6 months and who meet the eligibility criteria shown below:

- Those in the most deprived communities as represented by the worst 15% SIMD
- Those locating their new start up business into a 15% SIMD deprived community
- The Long Term Unemployed (more than 6 months) and those on Incapacity Benefit, Lone Parents
- Those in low income (suffering in work poverty) ie less than Glasgow Living Wage
- The over 50's on benefit and those with little opportunity of securing paid employment eg. ex offenders and those with little or no qualifications
- Students - Those within 6 months of completing their course or within 6 months of graduation
- Veterans

There are various exclusions for the funding, which are –

- New Enterprise Allowance Participants
- Businesses in the Politics, Religion, Gambling or Multi Level marketing / pyramid selling industries

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Grant Making Activities (Continued)

The grant can be used for purchasing either IT hardware or consumables for the business and can also be used to meet legitimate start up costs such as purchase of insurance, rent or operating costs incurred at the start up phase.

The grant applicant submits an application and business plan which is then submitted to a funding panel. After the funding panel has met, the applicant is informed by letter as to whether they have been successful or not.

Other Activities

In addition to the direct service delivery activities during last year, the company continued to focus on developing its childcare and property services.

The main activities in property during 2015/16 were:

- the purchase of Beech House and Clifford Court as part of the dissolution of the Modular joint venture arrangements
- the sale of Drakemire business park
- the sale of our office in Balmore Rd
- State of the art new security system installed at Glenwood Office and Industrial Estate
- Planned maintenance programme delivered, including gas maintenance, air conditioning maintenance, Asbestos Surveys, Fixed Wiring Testing, Lift maintenance and Water management and legionella testing

The main activities in childcare during 2015/16 were:

- New marketing materials were produced which has raised the profile of JBG's childcare services across the city.
- Glasgow City Council recognised JBG as their preferred childcare partner.

Strategic Report

Achievements and Performance

Achievements

The year to March 2016 remained challenging for JBG in terms of business as usual activities, however there were still a number of achievements made. The section below describes the achievements we have made against each of the key success criteria we identified in the Objectives and Activities section of this report.

Customer/Client Surveys

In November 2015, c3,500 customers of JBG services were asked to complete a survey on those services. 437 customers responded, a return rate of 12%. The responses provided were extremely positive. 97% of customers agreed that they were satisfied or very satisfied with JBG services and 94% of customers specified that they would recommend JBG services. Only a very small number of the comments received suggested areas for improvement and an action plan to address these is in place.

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Funders/Partners Feedback

Over the course of the financial year, JBG has received numerous instances of feedback on its staff and services. All of which have been very positive. We are planning to capture many of these on our website, going forward.

Project Evaluations

An independent evaluation of the School Gates project, funded by the Big Lottery, was carried out by EKOS in June 2015. The report concluded that the project had performed well and had delivered a large number and wide range of personal development sessions, and had delivered 485 courses, 57 nursery and primary schools had been involved and 1,260 parents had been supported, exceeding the 900 target. A full copy of the report is available on the JBG website.

Client Case Studies

Over the course of the financial year, a large number of client case studies have been collated which demonstrate specific client journeys, some significant, along the employability pathway, including the barriers they faced, how they overcame those barriers, what they achieved and their ambitions for the future. We plan to put some of these stories on the JBG website.

Amount of positive press coverage

Unfortunately, some of the more positive client press stories have been overshadowed this financial year by the various press stories around the European Funding issue which is described in detail later on in this report.

Client Achievement Awards

JBG successfully held the prestigious Enterprise Achievement Awards in June 2015 for the third year running, where 25 enterprise clients were celebrated.

Other Awards

JBG won two Scottish Training Federation (STF) awards at the STF awards ceremony in September 2015. JBG was also awarded the UK Pension Charter mark for its new Zurich pension scheme for the second year running.

Internal Audit Reports

Satisfactory internal audit reports were received for debtors management and complaints handling.

Attendance levels

Absence levels were kept below the maximum level of 3%.

Key Performance Indicators (KPIs)

JBG is continually measured on a wide range of Key Performance Indicators (KPIs). Key achievements over the last year include a total of 3,290 people moving into employment and 4,305 people moving into education and training, and 284 people starting a new business. A

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Key Performance Indicators (KPIs)

range of support has also been provided to local businesses and social enterprise organisations.

JBG does not currently carry out social impact assessments on the impact of its work on society as a whole and on individual beneficiaries, however the management team are currently looking into how best to measure the social impact of its projects and programmes.

The table below sets out the headline figures achieved by the company.

	Performance Indicator	Actual 2015/16	Target 2015/16	Variance 2015/16
Engagement				
1	Number of people provided with employment related advice	14,871	17,221	-2,350
Into Work				
2	Number of people supported into employment	3,006	2,690	316
3	The number of young Glasgow residents supported into work (16-19)	506	608	-102
Employability Skills Development				
4	Number of people supported to participate in work related/vocational training	4,305	3,987	318
5	Number of people supported to participate in non vocational training	2,393	2,860	-467
6	Number of people to achieve a recognised qualification	2,404	2,005	399
Enterprise Support				
7	Number of business start ups created by Glasgow residents	284	325	-41
8	Number of social economy initiatives supported	286	292	-6
9	Number of jobs created through business start up or expansion of social economy support	726	788	-62
Jobs				
10	Total Jobs	3,290	3,015	275

(Note: A tolerance of 10% has been established so any KPI which is within 10% of the target is deemed to have been met)

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Positive Factors

Some of the positive factors that affected the achievements of our objectives and targets in the last financial year include:

- The quality and professionalism of our staff
- The positive reputation of JBG amongst the majority of stakeholders and partners
- JBG's emphasis on employer-led training

Negative Factors

Some of the negative factors that affected the achievements of our objectives and KPIs in the last financial year include:

- The European funding issue (which is described in more detail under challenges) has affected our media presence and our reputation with some partners and stakeholders
- The move to recording engagements with clients only when they have committed to participation in JBG services
- The Working Matters City Deal employability project has seen JBG dedicate considerable staff resources to providing intensive support to a relatively small caseload of clients furthest from the labour market
- Evidence has shown us that more young people are now staying on at school, which has reduced the number of 18-19 year olds engaging with our services.
- Budgetary constraints
- The loss of the New Enterprise Allowance contract to a competitor

Challenges

Undoubtedly the main challenge facing JBG in 2015/16 was the European Funding issue. This issue dominated the organisation for the full duration of the 2015/16 financial year and is still ongoing. It took up a considerable amount of Senior Management time and resulted in the suspension of 3 Senior Managers and the Chief Executive.

The issue began in early March 2015 when a letter from the Scottish Government was received by the Chief Executive of Glasgow City Council. It expressed some concerns regarding their audit of the JBG Enterprise Creation project. An investigation by JBG's internal auditors was instigated and this was completed in early June 2015. The conclusions were that there had been some double funding between European Funding and DWP NEA funding and these monies were required to be repaid.

In mid-July 2015, some anomalies were discovered by Internal Audit in the other 6 JBG European projects and a more detailed internal audit investigation was launched. This resulted in it being discovered that some staff had been incorrectly claimed as 100% European funded whereas in fact they were only working partly on European projects and should have been completing timesheets. JBG was asked to re-do all of its European claims since the start of the new European projects in 2011, and re-submit them to the Scottish Government via the Council as lead contractor. After the revised final claim had been submitted in November 2015, various whistleblowing allegations were received which put significant doubt on the revised claim. Internal audit investigated further and found that JBG was unable to substantiate £3.3m

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Challenges (Continued)

of the £4.3m of European funding claimed. As a result, the council decommitted the whole £4.3m of funding.

The final Internal Audit Report in January 2016 included the following recommendation:

- Recommendations arising from the internal audit review of European funding arrangements at JBG should be fully implemented prior to any additional European Funding being awarded to JBG from GCC

At the JBG Board meeting of 30 March 2016 the JBG Board agreed to repay GCC the £4.3m which had been decommitted. It agreed to delegate to the Interim Chief Executive to negotiate on its behalf the timing of that repayment. It has been agreed this will be repaid over a 4 year period.

The JBG Board have also committed at their Board meeting of June 2016 to implement revised processes and procedures relating to grant claims and a new company-wide timesheet system has been introduced. Internal Audit has reviewed these new arrangements to ensure they are fit for purpose and have proposed some minor amendments. These will be incorporated into the process with a view to an agreed process being signed off by Internal Audit.

Financial Review

Operating and Financial Overview

The charitable group's net deficit for the year to March 2016 was £3,072,039. This compares to a net deficit of £823,756 for the year to March 2015. This is an increase of £2,248,283.

The charitable group's total income for the year to March 2016 was £21,065,112. This compares to £23,080,101 for the year to March 2015. This is a reduction of £2,014,989 (9%).

The charitable group's total expenditure for the year to March 2016 was £24,532,151. This compares to £23,945,792 for the year to March 2015. This is an increase of £586,359 (5%).

The company managed approximately 40 projects spread across its strategic themes.

The charity shows an unrestricted reserve of £16,617,156 (£20,547,615 in 2015). It should be noted that the majority of the unrestricted funds are non-cash reserves for the purpose of the future depreciation of tangible fixed asset projects, or are tied up in investment properties.

Financial Implications of European Funding Issue

As a result of the repayment and a general reduction in JBG's overall funding, the JBG Board took a decision at their Board meeting on 30 March 2016 to invite staff, excluding childcare, to apply for voluntary severance. The target set, to ensure future financial sustainability was 150 posts. In June, the final figure reached was 151, with severance payments totalling £2.8m, with salary savings in 2016/17 of £3.3m and ongoing salary savings from 2017/18 onwards of £4.5m.

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Investment Policy

The Trustees have, over the life of the company adopted a policy of providing support to projects and developments within the Glasgow city area. In particular the company has prudently invested in a number of commercial property developments as a way of furthering their charitable objectives. Whilst this has provided an opportunity for an earned income stream to complement the company's other sources of funding, the overall aim of these investments has been to assist in the economic regeneration of the city by creating affordable office space and hence attracting SMEs into the area to ultimately create and sustain employment.

Impact of the Pension Deficit

As at 31 March 2016, JBG had 11 staff in the Strathclyde Pension Fund, a multi-employer defined benefit scheme. The remainder of the JBG staff are in defined contribution schemes, either the Zurich scheme or NEST, a government backed scheme. Currently, the Board have made the decision that no further staff should be allowed to join the Strathclyde Pension Scheme.

The JBG portion of the deficit as at 31 March 2016, of the Strathclyde Pension Fund is £705,000. This deficit would crystallise (that is, be payable) if a cessation event is triggered. A cessation event is triggered if the JBG scheme ceases to have any active members in it, the other employers in the scheme continue to have active members and the pension scheme is in deficit at that time.

Of the 11 members of the JBG scheme, 6 have left since the year end and a further 2 will leave at 31 March 2017, leaving 3 remaining in the scheme at that date. The Trustees will be monitoring this situation very carefully to ensure there is no cessation event in the future.

Reserves Policy

At the 31 March 2016, the total funds the group held was £17.3m. Of these, £1.4m were restricted and were not available for the general purposes of the charity. £14.8m of the total funds were designated, including the following:

- £7.1m, representing the net book value less loans of the group's tangible fixed assets
- £7.4m, representing the book value of investment properties

Of the total funds, £14.5m can only be realised by disposing of fixed assets.

There is a negative fund of £0.7m representing the pension fund deficit.

This leaves the charity as at 31 March 2016 holding £1.8m of general reserves, after making allowances for restricted funds, designated funds and the carrying amount of fixed assets which JBG considers to represent the reserves it holds.

The Trustees have examined the company's requirements for reserves in the light of the main risks to the organisation. They previously established a policy whereby unrestricted general funds not committed should be approximately three months of total expenditure. Based on the approved budget for 2016/17, three months expenditure (salaries and project costs) equates to c£4.8m. The figure above shows general reserves of £1.8m which is significantly lower.

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This is due to the general reserves having to be used for a very specific purpose this year which was to ensure the long-term stability of the charity, due to the significant reduction in funding coupled with the repayment of the European funding clawback

General reserves are needed to meet the working capital requirements of the company and the financial obligations in the short-term in the event of a further significant drop in revenue grant funding. Clearly, one of the financial objectives of the charity over the next few years will be to slowly and steadily build up its general reserves to a more acceptable level to ensure it can deal with any further cuts in funding.

Principal Risks and Uncertainties

Risk Management

Procedures have been established, and are reviewed in the course of the year, to identify, manage and mitigate operational and strategic risks. The Head of Strategy and Compliance was the senior manager responsible for co-ordinating the company's risk strategy and risk register. Since 4 May 2016 that responsibility has passed to the Director of Finance. Each senior manager is responsible for risk management in their respective areas. The JBG board closely monitors the top 5 risks. The following systems and procedures to manage risk have been established:

- Regular Board meetings (currently quarterly) are held by the Trustees and Senior Officials of the charity
- Quarterly committee meetings are held to examine in detail the Finance, Audit, HR, and Property aspects of the company
- Monthly management accounts, incorporating year to date actuals and projected year-end outturns are prepared and reviewed against budget. These are discussed with the Chief Executive and the appropriate Senior Manager and action plans are agreed and monitored. These are submitted quarterly at a summarised level to the Board.
- Internal controls are in place to safeguard the company's assets
- A rolling three month cash flow forecast is updated and reviewed weekly
- The top 5 risks are considered by the SMT on a monthly basis with mitigating actions agreed, following which the top 5 risks are flagged and reported to the Board.

Risk Register

The JBG risk register reflects all current risks that the charity faces and how these are being mitigated. The principal risks and uncertainties that may seriously affect the performance, future prospects or reputation of JBG are described in the table below.

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Description of Risk	Mitigation			
	Probability	Impact	Score	
Implementation of JBG's transformation programme entails office closures and the departure of a significant volume of staff. There is a risk that service delivery, including those provided by back office staff, will be disrupted during the transformation, leading to risks around under performance and failure to meet compliance requirements (loss of compliance staff).	4	4	16	Manage probability - A dedicated cross-team workstream has been developed to ensure that, as much as possible, business continuity across all aspects of our operations is achieved.
During 2016-17, JBG will focus more on individuals requiring more resource intensive support. Combined with employing fewer staff, this leads to the risk that we will be unable to meet the expectations of our stakeholders in relation to anticipated volumes of outcomes.	4	3	12	Manage Probability - New KPI targets have been calculated based on resources available at start of July. Stakeholder engagement to manage expectations and explain priorities will take place.
Development of LEO as a result of GCC transformation will impact on JBG's ability to maintain control of business functionality	4	3	12	Manage impact - Participate fully in discussions about developments and positively influence where possible
Financial risk of being unable to achieve a balanced budget for 2017-18, including the risk of savings made from the VSS not meeting anticipated levels.	3	4	12	Manage probability and impact - A robust cost review will be carried out as part of the 2017/18 budget process. Additional funding opportunities will continue to be pursued. Redeployment opportunities will be considered, if required and posts will not be replaced when there is natural attrition.
Information Security concerns arising directly as a result of JBG's transformation programme. Office closures and associated archiving exercises means that physical records and other documentation is being moved within and between locations in much greater volumes than usual.	3	4	12	Manage Probability - archiving exercises are being co-ordinated by members of the compliance team, while the satisfactory handover of active client records is a condition of the settlement agreement for staff who are leaving.

The company's policy for the payment of suppliers for the following financial year is described below.

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Policy on Creditor Payments

The Company's standard contractual terms and conditions state a policy of payment of supplier invoices, 30 days after the receipt of a valid invoice.

JBG has adopted a formal accounts payable policy and within this policy it outlines our commitment to meeting our contractual terms and conditions by running two creditor payments monthly. A formal review process is in place to ensure that all invoices falling due for payment are included in these payment runs.

Our procurement policy differentiates our suppliers into the following categories:

- Low tender contracts where we will contract with suppliers individually. Contractors will be advised individually that our standard payment terms are 30 days from the receipt of a valid invoice.
- Contracts procured through Public Contracts Scotland (PCS). Our terms and conditions are set out on the PCS portal.
- Contracts procured through an existing local authority framework agreement. The terms and conditions will have been agreed by the contracting authority. JBG will therefore comply with the terms and conditions previously agreed.
- Utility Companies. It is not our current practice to negotiate on our payment terms however, our policy allows flexibility to comply with terms and conditions set by utility companies. The payment terms for our utility suppliers range from 7-14 days.

Creditor Days

The total amount invoiced by trade suppliers during the year was £5.3m, with trade creditors being owed £834k at the end of the year. Removing items in dispute gives trade creditors of £492k at the year end. Average creditor days are therefore 34 days. This is consistent with our standard policy of 30 days.

Plans for Future Periods

Summary of Plans

There are clearly some significant challenges to address and overcome in the forthcoming year:

- The implementation of JBG's new business model, where advisers will offer services from a reduced number of JBG offices and from other community facilities such as libraries and RSL offices
- The reduced number of front line advisers as a result of the VSS programme
- The loss of knowledge and expertise
- The impact on demand for JBG services by those leaving the Work Programme
- The challenging economic outlook particularly in some key economic sectors will lead to additional demands on JBG services
- The JBG budgeted financial deficit
- The increasingly competitive funding environment
- The lack of European funding to JBG
- The unknown impact of Glasgow City Council's business transformation project on JBG

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JBG's objectives for the forthcoming year are:

- To meet and, if possible, exceed our KPIs
- To seek new partnerships and new ways of delivering services more efficiently and effectively
- To continue to consolidate our excellent working relationships with key stakeholders
- To continue to review and rationalise our delivery and commercial property portfolios
- To continue to improve the financial performance of our childcare service

The KPIs for 2016/17 which have been approved by the Board are significantly lower than those achieved in 2015/16 and are shown in the table below. We have set significantly lower KPIs for 2016/17 because, due to the loss in funding and the European Funding clawback, we have had to lose 150 staff through the VSS arrangement. Most of these are front-line service delivery staff. This will significantly reduce the number of clients we can engage with and the number we can get into work.

	KEY PERFORMANCE INDICATOR	Target 2016-17
1	Number of people provided with employment related advice	7,979
2	Number of people supported into employment	1,587
3	The number of young Glasgow Residents supported into work (aged 16-19)	359
4	Number of people supported to participate in work related/vocational training	2,552
5	Number of people supported to participate in non-vocational training	1,830
6	Number of people to achieve a recognised qualification	1,283
7	Number of business start ups created by Glasgow residents	52
8	Number of social economy initiatives supported	47
9	Number of jobs created through business start up or expansion or social economy support	126
10	Total jobs	1,998

Trustees Perspective of Future Direction of Charity

The Trustees view is that the work that JBG carries out is important and is crucial for the success of the City of Glasgow and must continue. Although, by necessity this will be in a reduced capacity.

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We believe JBG can continue to make a very important contribution to Glasgow, its employers, businesses, social enterprises and residents. We also recognise that we cannot do this alone. To make a real and lasting difference, we need to continue to work better and smarter together with our partners across the city and beyond to achieve more for less.

We are committed to Glasgow and improving the competitiveness of its residents and businesses.

From the work of the last 5 years since merger, we have learned that there is a better business model where advisers use mobile technology to go to the community rather than the community coming to us and our offices.

We are currently carrying out a mapping exercise of the city's employability offer and from that we will determine who is delivering what and where in the city and from that we can plan where we should deliver services which will have the most impact, and thus avoid duplication.

Employee Involvement

The Directors are very keen that employees are systematically provided with information on matters of concern to them. To this end, during the financial year, the following arrangements were in place:

- The Chief Executive sends out a Blog on a regular basis to all members of staff. The blog highlights key items of company news for that week, including: new funding received, awards received by staff, announcements regarding changes in the Board or Senior Management Team, any charity fundraising that the company has taken part in etc
- The Chief Executive visits a number of key offices on a quarterly basis, with additional visits as required, to meet staff and update them on company matters such as the annual budget, funding awards, pay awards, terms and conditions and the company pension etc
- Development sessions are held at least twice a year for operational and senior managers to focus on key areas of the business such as attendance levels, budgets, funding etc
- Development sessions are held at least once a year for all staff to focus on key areas of the business such as performance, company values and future KPIs and priorities etc

The Directors are keen that staff are consulted on a regular basis so that their views can be taken into account in making decisions which will affect them. To this end, during the financial year, the following arrangements were in place:

- JBG has a Joint Consultation and Negotiation Committee (JCNC) which meets quarterly. The group consists of the CEO, the Head of HR and union representatives from Unite The Union. The forum enables the CEO and Head of HR to update the union reps and full-time official on issues such as staff increments, pay awards, terms and conditions, company pension. The union representatives then discuss and debate these issues within the forum and then ensure union members are updated and consulted on these issues
- An all staff survey is also distributed annually. The returns are completely anonymous and are used to get staff views on a range of issues

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2016

The Directors are keen to encourage the involvement of employees in the company's performance. To this end, during the financial year, the following arrangements were in place:

- All staff receive annual performance reviews
- Where appropriate, staff are given individual performance targets and KPIs which contribute to the overall company targets
- If certain key targets are met then the Board has the discretion to award a retrospective, one-off payment to all staff based on an agreed percentage of their annual salary

The Directors are also keen that all employees achieve an awareness of the financial and economic factors affecting the performance of the company. In addition to the information provided through the Chief Executive's blog, locality visits and development sessions, detailed management accounts are provided to senior and operational managers which in turn are cascaded, where relevant, to members of staff.

These arrangements are continually reviewed and developed to ensure they remain fit for purpose

Trustees Responsibilities

The trustees (who are also directors of Jobs & Business Glasgow for the purposes of company law) are responsible for preparing the Trustees Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice-UK GAAP).

The trustees are also responsible for preparing the Strategic Report, which is contained in the Trustees Annual Report, in their capacity as company directors.

Company law also requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of funds, including the income and expenditure of the charitable company for that period.

In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- Prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the charitable company will continue in business

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

JOBS & BUSINESS GLASGOW
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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2016

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (issued in March 2005) and in accordance with the Companies Act 2006.

Approved by the Trustees and signed on their behalf by.

Name:

Date: 24 August 2016

JOBS & BUSINESS GLASGOW

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INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF JOBS & BUSINESS GLASGOW FOR THE YEAR ENDED 31 MARCH 2016

We have audited the financial statements of Jobs & Business Glasgow for the year ended 31 March 2016 which comprise the Group and Parent Charitable Company's Statement of Financial Activities, the Group and Parent Charitable Company's Balance Sheets, the Group and Parent Charitable Company's Cash Flow Statements and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on pages 25-26 the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustees Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Trustees to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2016 and of the group's and the parent charitable company's incoming resources and application of resources, including their income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

JOBS & BUSINESS GLASGOW

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INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF JOBS & BUSINESS GLASGOW FOR THE YEAR ENDED 31 MARCH 2016

Emphasis of Matter

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in note 31 of the financial statements concerning the uncertain outcome of the investigation into European funding received by the Charity.

The ultimate outcome of the matter cannot presently be determined and no provision for any liability that may result has been made in the financial statements.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the parent charitable company has not kept proper and adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or

Jenny Simpson
Senior statutory auditor
For and on behalf of Wylie & Bisset LLP, Statutory Auditor

168 Bath Street
Glasgow
G2 4TP

Wylie & Bisset LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Date 24 August 2016

JOBS & BUSINESS GLASGOW
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CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDING 31 MARCH 2016

(Including an Income and Expenditure account)

	Note					<i>As restated</i>			<i>As restated</i>
		Unrestricted Funds 2016 £	Restricted Funds 2016 £	Pension Funds 2016 £	Total Funds 2016 £	Unrestricted Funds 2015 £	Restricted Funds 2015 £	Pension Funds 2015 £	Total Funds 2015 £
Income and endowments from:									
Donations and legacies	5	7,977,573	-	-	7,977,573	4,836,055	-	-	4,836,055
Charitable activities	6	8,328,571	1,649,508	-	9,978,079	12,416,165	2,866,115	-	15,282,280
Other trading activities	7	49,554	-	-	49,554	4,984	-	-	4,984
Investments	8	3,059,906	-	-	3,059,906	2,957,782	-	(1,000)	2,956,782
Total Income		19,415,604	1,649,508	-	21,065,112	20,214,986	2,866,115	(1,000)	23,080,101
Expenditure on:									
Raising funds									
Other trading activities	9	81,686	-	-	81,686	2,881	-	-	2,881
Investment activities	10	1,650,586	-	-	1,650,586	2,353,093	-	-	2,353,093
Charitable activities	12	21,543,791	1,136,088	120,000	22,799,879	17,900,177	3,607,641	82,000	21,589,818
Total Expenditure		23,276,063	1,136,088	120,000	24,532,151	20,256,151	3,607,641	82,000	23,945,792
Net income/(expenditure)		(3,860,459)	513,420	(120,000)	(3,467,039)	(41,165)	(741,526)	(83,000)	(865,691)
Transfers between funds									
		-	-	-	-	(455,004)	455,004	-	-
Other recognised gains/(losses)									
Gains/(losses) on revaluation of fixed assets	17	(70,000)	-	-	(70,000)	178,935	-	-	178,935
Actuarial gains/(losses) on defined benefit pension schemes	29	-	-	465,000	465,000	-	-	(137,000)	(137,000)
Net movement in funds		(3,930,459)	513,420	345,000	(3,072,039)	(317,234)	(286,522)	(220,000)	(823,756)
Funds reconciliation									
Total Funds brought forward	1b	27,700,249	894,149	(1,050,000)	27,544,398	28,455,637	1,180,671	(830,000)	28,806,308
Prior year adjustment	30	(7,152,634)	-	-	(7,152,634)	(7,590,788)	-	-	(7,590,788)
Total Funds brought forward –restated	25	20,547,615	894,149	(1,050,000)	20,391,764	20,864,849	1,180,671	(830,000)	21,215,520
Total Funds carried forward	25	16,617,156	1,407,569	(705,000)	17,319,725	20,547,615	894,149	(1,050,000)	20,391,764

The Statement of Financial Activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities

JOBS & BUSINESS GLASGOW
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CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2016

		Total Funds 2016	As restated Total Funds 2015
	Note	£	£
Fixed assets:			
Tangible assets	16	8,992,326	8,985,917
Investment properties	17	7,395,000	7,135,000
Investments	18	24,899	24,995
Total fixed assets		16,412,225	16,145,912
Current assets:			
Debtors	19	3,107,189	2,550,974
Investments – cash deposits	28	3,500,000	8,500,000
Cash at bank and in hand	28	5,723,516	2,883,845
Total current assets		12,330,705	13,934,819
Liabilities:			
Creditors falling due within one year	20	(9,349,378)	(7,069,588)
Net current assets		2,981,327	6,865,231
Total assets less current liabilities		19,393,552	23,011,143
Creditors: Amounts falling due after more than one year	22	(1,351,108)	(1,569,379)
Deferred tax liability provision	23	(17,719)	-
Net assets excluding pension asset		18,024,725	21,441,764
Defined benefit pension scheme liability	29	(705,000)	(1,050,000)
Net assets		17,319,725	20,391,764
The funds of the charity:			
Restricted income funds	25	1,407,569	894,149
Unrestricted funds	25	16,617,156	20,547,615
Pension Reserve	25	(705,000)	(1,050,000)
Total charity funds		17,319,725	20,391,764

Approved by the trustees on 24 August 2016 and signed on their behalf by:

Name:

Name

JOBS & BUSINESS GLASGOW

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CHARITY STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDING 31 MARCH 2016

(Including an Income and Expenditure account)

	Note	Unrestricted Funds 2016 £	Restricted Funds 2016 £	Pension Reserve 2016 £	Total Funds 2016 £	As restated Unrestricted Funds 2015 £	Restricted Funds 2015 £	Pension Reserve 2015 £	As restated Total Funds 2015 £
Income and endowments from:									
Donations and legacies	5	7,977,573	-	-	7,977,573	5,153,062	-	-	5,153,062
Charitable activities	6	8,328,571	1,649,508	-	9,978,079	12,416,165	2,866,115	-	15,282,280
Other trading activities	7	49,554	-	-	49,554	3,101	-	-	3,101
Investments	8	2,137,192	-	-	2,137,192	1,345,826	-	(1,000)	1,344,826
Total Income		18,492,890	1,649,508	-	20,142,398	18,918,154	2,866,115	(1,000)	21,783,269
Expenditure on:									
Raising funds									
Other trading activities		89,871	-	-	89,871	-	-	-	-
Investment activities		629,001	-	-	629,001	812,847	-	-	812,847
Charitable activities		21,750,623	1,136,088	120,000	23,006,711	18,400,439	3,607,641	82,000	22,090,080
Total Expenditure		22,469,495	1,136,088	120,000	23,725,583	19,213,286	3,607,641	82,000	22,902,927
Net income/(expenditure)		(3,976,605)	513,420	(120,000)	(3,583,185)	(295,132)	(741,526)	(83,000)	(1,119,658)
Transfers between funds									
Other recognised gains/(losses)		-	-	-	-	(455,004)	455,004	-	-
Gains/(losses) on revaluation of investment properties		295,000	-	-	295,000	48,935	-	-	48,935
Actuarial gains/(losses) on defined benefit pension schemes	29	-	-	465,000	465,000	-	-	(137,000)	(137,000)
Net movement in funds		(3,681,605)	513,420	345,000	(2,823,185)	(701,201)	(286,522)	(220,000)	(1,207,723)
Funds reconciliation									
Total Funds brought forward	1b	27,599,547	894,149	(1,050,000)	27,443,696	27,962,291	1,180,671	(830,000)	28,312,962
Prior year adjustment	30	(9,593,383)	-	-	(9,593,383)	(9,254,926)	-	-	(9,254,926)
Total Funds brought forward – restated	30	18,006,164	894,149	(1,050,000)	17,850,313	18,707,365	1,180,671	(830,000)	19,058,036
Total Funds carried forward		14,324,559	1,407,569	(705,000)	15,027,128	18,006,164	894,149	(1,050,000)	17,850,313

The Statement of Financial Activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

JOBS & BUSINESS GLASGOW
(A company limited by guarantee)
CHARITY BALANCE SHEET AS AT 31 MARCH 2016

		Total Funds 2016	As restated Total Funds 2015
	Note	£	£
Fixed assets:			
Tangible assets	16	8,856,211	8,927,012
Investment properties	17	4,425,000	3,300,000
Investments	18	24,999	25,298
Total fixed assets		13,306,210	12,252,310
Current assets:			
Debtors	19	4,562,338	3,730,249
Investments	28	3,500,000	8,500,000
Cash at bank and in hand	28	4,721,760	2,262,262
Total current assets		12,784,098	14,492,511
Liabilities:			
Creditors falling due within one year	20	(9,007,072)	(6,275,129)
Net current assets		3,777,026	8,217,382
Total assets less current liabilities		17,083,236	20,469,692
Creditors: Amounts falling due after more than one year	22	(1,351,108)	(1,569,379)
Net assets excluding pension asset		15,732,128	18,900,313
Defined benefit pension scheme liability	29	(705,000)	(1,050,000)
Net assets		15,027,128	17,850,313
The funds of the charity:			
Restricted income funds		1,407,569	894,149
Unrestricted funds		14,324,559	18,006,164
Pension Reserve		(705,000)	(1,050,000)
Total charity funds		15,027,128	17,850,313

Approved by the trustees on 24 August 2016 and signed on their behalf by:

Name:

Name:

JOBS & BUSINESS GLASGOW
(A company limited by guarantee)
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDING 31 MARCH 2016

	Note	Total Funds 2016 £	Total Funds 2015 £
<i>Cash flows from operating activities:</i>			
Net cash used in by operating activities	27	(3,955,763)	(278,455)
<i>Cash flows from investing activities:</i>			
Dividends, interest and rents from investments		3,059,906	2,956,782
Interest payable		(79,103)	(65,922)
Purchase of property, plant and equipment		(558,958)	(968,879)
Proceeds from sale of investment property		500,090	-
Purchase of investment property		(830,000)	(451,065)
Net cash provided by investing activities		2,091,935	1,470,916
<i>Cash flows from financing activities:</i>			
Repayments of borrowing		(296,501)	(321,994)
Net cash (used in) financing activities		(296,501)	(321,994)
Change in cash and cash equivalents in the year		(2,160,329)	870,467
Cash and cash equivalents brought forward	28	11,383,845	10,513,378
Change in cash and cash equivalents		(2,160,329)	870,467
Cash and cash equivalents carried forward	28	9,223,516	11,383,845

JOBS & BUSINESS GLASGOW
(A company limited by guarantee)
CHARITY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDING 31 MARCH 2016

	Note	Total Funds 2016 £	Total Funds 2015 £
<i>Cash flows from operating activities:</i>			
Net cash (used in)/ provided by operating activities	27	(3,040,212)	926,136
<i>Cash flows from investing activities:</i>			
Dividends, interest and rents from investments		2,137,192	1,344,826
Interest payable		(51,770)	(65,922)
Purchase of property, plant and equipment		(459,211)	(968,879)
Purchase of investment property		(830,000)	(451,065)
Net cash provided by/ (used in) investing activities		796,211	(141,040)
<i>Cash flows from financing activities:</i>			
Repayments of borrowing		(296,501)	(321,994)
Net cash (used in) by financing activities		(296,501)	(321,994)
Change in cash and cash equivalents in the year		(2,540,502)	460,102
Cash and cash equivalents brought forward	28	10,762,262	10,302,160
Change in cash and cash equivalents		(2,540,502)	460,102
Cash and cash equivalents carried forward	28	8,221,760	10,762,262

JOBS & BUSINESS GLASGOW

(A company limited by guarantee)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

1. Accounting Policies

(a) Basis of preparation and assessment of going concern

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The financial statements consolidate the results of the charity and its wholly owned subsidiaries, Property by Jobs & Business Glasgow Limited, Regenerate: Glasgow Limited, Greater Easterhouse Property Company Limited, Glasgow North Properties Limited and Dalsetter Business Village Limited on a line by line basis. Joint Ventures Modular Developments and Govan Digital Media Centre Limited are not included on the grounds of materiality.

The charity constitutes a public benefit entity as defined by FRS 102.

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

(b) Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102, a restatement of comparative items was needed. In accordance with the requirements of FRS 102 a reconciliation of opening balances and net income/(expenditure) for the year is shown below:

Reconciliation of reported net income (Charity)	£
2015 net movement in funds	(869,266)
Reversal of depreciation charge attached to investment properties	266,313
Fair value gains	48,935
Decrease of holiday pay accrual	13,323
2015 net outgoings as restated under FRS 102 (note 30)	(540,695)

Reconciliation of Funds (Charity)	At 1 April 2014
	£
Funds as previously stated	28,312,962
Effect of investment property revaluation	(5,742,296)
Accrual of holiday pay carried forward	(173,170)
Funds as restated under FRS 102 (note 30)	22,397,496

Reconciliation of Funds (Charity)	At 1 April 2015
	£
Funds as previously stated	27,443,696
Effect of 2014 restatements	(5,915,466)
Reversal of depreciation charge	266,313
Fair Value gains	48,935
Movement of holiday pay accrual	13,323
Funds as restated under FRS 102 (note 30)	21,856,801

JOBS & BUSINESS GLASGOW
(A company limited by guarantee)
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

1. Accounting Policies (continued)

Reconciliation of reported net income (Group)	£
2015 net movement in funds	(1,261,910)
Effect of investment property revaluation	912,924
Fair value gains	178,935
Decrease of holiday pay accrual	13,323
2015 net (outgoings) as restated under FRS 102 (note 30)	<u>(156,728)</u>

Reconciliation of Funds (Group)	At 1 April
	2014
	£
Funds as previously stated	28,806,308
Effect of investment property revaluation	(4,078,158)
Accrual of holiday pay carried forward	(173,170)
Funds as restated under FRS 102 (note 30)	<u>24,554,980</u>

Reconciliation of Funds	At 1 April
	2015
	£
Funds as previously stated	27,544,398
Effect of 2014 restatements	(4,251,328)
Effect of investment property revaluation	912,924
Fair Value gains	178,935
Movement of holiday pay accrual	13,323
Funds as restated under FRS 102 (note 30)	<u>24,398,252</u>

(c) Funds structure

Unrestricted income funds comprise those funds which the trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the trustees, at their discretion, have created funds for specific purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor or trust deed, or through the terms of an appeal.

Further details of each fund are disclosed in note 25.

(d) Income recognition

Income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donations, are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

JOBS & BUSINESS GLASGOW
(A company limited by guarantee)
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

1. Accounting Policies (continued)

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment advisor of the dividend yield of the investment portfolio.

Income from government and other grants, whether 'capital' or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met (see note 21).

(e) Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings. For more information on this attribution refer to note (f) below.

- Expenditure on other trading activities includes the cost of operating non-investment properties and other associated costs;
- Expenditure on investment activities includes the cost of operating investment properties and other associated costs.
- Expenditure on charitable activities includes Employability, Youth and Learning, Childcare, and other activities undertaken to further the purposes of the charity and their associated support costs;

Irrecoverable VAT is charged as a cost against the activity for which the expenditure is incurred.

(f) Allocation of support and governance costs

Support costs have been allocated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees together with an apportionment of overhead and support costs.

Governance costs and support costs relating to charitable activities have been apportioned based on head count. The allocation of support and governance costs is analysed in note 12.

JOBS & BUSINESS GLASGOW
(A company limited by guarantee)
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

1. Accounting Policies (continued)

(g) Tangible fixed assets and depreciation

All assets costing more than £25,000 are capitalised and valued at historical cost. Depreciation is charged as follows:

Freehold buildings	Over 50 years, following year of purchase
Leasehold properties	20% on cost or over the term of the lease
Fixtures and equipment	20% - 33% on cost
Office equipment	20% - 33% on cost
Computer equipment	33% on cost
Motor Vehicles	10% - 25% on cost

No depreciation is provided in respect of land

Mixed use properties are included within fixed assets and depreciated in line with the policy above because the investment property element could not be measured reliably.

(h) Investment Property

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured using the fair value model and stated at its fair value at the reporting end date. The surplus or deficit on revaluation is recognised in the Statement of Financial Activities.

Investment properties are included in the Statement of Financial Position at their open market value.

Although this accounting policy is in accordance with FRS 102, it is a departure from the general requirements of the Companies Act 2006 for all tangible assets to be depreciated. In the opinion of the Trustees compliance with the standard is necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount of this which might otherwise have been charged cannot be separately identified or quantified.

(i) Investments

Investments in subsidiary undertakings and joint ventures are included at cost, less provision for permanent diminution in value.

(j) Stock

Stock is included at the lower of cost or net realisable value. Donated items of stock are recognised at fair value which is the amount the charity would have been willing to pay for the items on the open market.

(k) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

JOBS & BUSINESS GLASGOW
(A company limited by guarantee)
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

1. Accounting Policies (continued)

(l) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

(m) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

(o) Pensions

Employees of the charity are entitled to join a defined contribution 'money purchase' scheme. The charity contribution is restricted to the contributions disclosed in note 13. There were no outstanding contributions at the year end.

The money purchase plan is managed by various providers and the plans invest the contributions made by the employee and employer in an investment fund to build up over the term of the plan. The pension fund is then converted into a pension upon the employee's normal retirement age which is defined as when they are eligible for a state pension. The charity has no liability beyond making its contributions and paying across the deductions for the employee's contributions.

The pension costs charged to the Statement of Financial Activities represent the amount of employer's contributions payable to the defined contribution pension schemes in respect of the accounting period.

The charity is also an admitted body to the Strathclyde Pension Fund (SPF), which is administered by Glasgow City Council and which requires contributions to be made to its number 1 fund. This is a defined benefit scheme that is externally funded and contracted out of the State Earnings Related Pension Scheme. Contributions to the scheme are charged to the SOFA so as to spread the cost of pensions over employees' working lives with the Charity in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by qualified actuaries on the basis of periodic valuations.

(p) Contingent liabilities

A contingent liability is identified and disclosed for those grants resulting from:

- a possible obligation which will only be confirmed by the occurrence of one or more uncertain future events not wholly within the trustees' control; or
- a present obligation following a grant offer where settlement is either not considered probable; or
- the amount has not been communicated in the grant offer and that amount cannot be estimated reliably.

(q) Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities as they become due. The obligation to pay future rentals on operating leases is shown by way of a note to the accounts.

JOBS & BUSINESS GLASGOW
(A company limited by guarantee)
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

1. Accounting Policies (continued)

(r) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

(s) Taxation

The company is a charitable company within the meaning of Section 467 of the Corporation Tax Act 2010. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 of Part 11 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied for charitable purposes only.

2. Legal status

Jobs & Business Glasgow Limited is a registered Scottish charity.

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

JOBS & BUSINESS GLASGOW
(A company limited by guarantee)
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

3. Financial activities of the subsidiaries

PROPERTY BY JOBS & BUSINESS GLASGOW LIMITED
(FORMERLY CASTLEMILK PROPERTY COMPANY LIMITED)

The charity has a wholly owned trading subsidiary Property by Jobs & Business Glasgow Limited (formerly Castlemilk Property Company Limited), which is incorporated in Scotland and whose principal activity is property rental. On 31 March 2015 the trade, assets and liabilities of three other subsidiaries, Greater Easterhouse Property Company Limited, Dalsetter Business Village Limited and Glasgow North Properties Limited were transferred to Property by Jobs & Business Glasgow Limited. The amount retained in the subsidiary is (£257,440): (2015 surplus: £683,563). The charity owns the entire share capital of 100 ordinary shares of £1 each. A summary of the trading results is shown below:

	2016	As restated 2015
	£	£
Turnover	1,943,495	1,106,452
Administration expenses	(1,685,929)	(718,132)
Other operating income	38,135	339,185
Gift aid donation to parent charitable company	(143,570)	1,045
Operating profit	152,131	726,460
Interest receivable	338	97
Interest payable and similar charges	(26,980)	(14,069)
Movement in fair value	(365,000)	55,000
Taxation	(17,929)	(83,925)
Retained in subsidiary	(257,440)	683,563
The assets and liabilities of the subsidiary were:		
Fixed assets	136,115	58,905
Investment properties	2,970,000	3,835,000
Current assets	1,292,823	982,830
Current liabilities	(920,134)	(964,168)
Long term creditors	(1,180,697)	(1,357,020)
Total net assets	2,298,107	2,555,547
Aggregate share capital and reserve	2,298,107	2,555,547

JOBS & BUSINESS GLASGOW
(A company limited by guarantee)
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

3. Financial activities of the subsidiaries (continued)

REGENERATE: GLASGOW LIMITED

The charity has a wholly owned subsidiary, Regenerate: Glasgow Limited which was an intermediary between Glasgow's five Local Regeneration Agencies and funding providers. On 31 May 2011 Regenerate: Glasgow Limited ceased to trade and has submitted final funding claims. The directors' intention is to submit an application for strike off to the Registrar of Companies.

	2016	2015
	£	£
Turnover	-	1,883
Administration expenses	(262)	(2,881)
Net (loss)	<u>(262)</u>	<u>(998)</u>
Retained in subsidiary	<u>(262)</u>	<u>(998)</u>

The assets and liabilities of the subsidiary were:

Current assets	187	107,316
Current liabilities	(14,232)	(120,912)
Total net liabilities	<u>(14,045)</u>	<u>(13,596)</u>
Aggregate share capital and reserves	<u>(14,045)</u>	<u>(13,596)</u>

JOBS & BUSINESS GLASGOW
(A company limited by guarantee)
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

3. Financial activities of the subsidiaries (continued)

DALSETTER BUSINESS VILLAGE LIMITED

The charity has another wholly owned trading subsidiary Dalsetter Business Village Limited, which is incorporated in Scotland. Dalsetter Business Village Limited managed the property at Dalsetter Business Village and all associated commercial operations. On 31 March 2015 the trade, assets and liabilities of Dalsetter Business Village Limited were transferred to Property by Jobs & Business Glasgow Limited. The company ceased to trade on 31 March 2015, has been dormant since that date, and is expected to be struck off in the near future. The charity owns the entire share capital of 1 ordinary share of £1. A summary of the trading results is shown below.

	2016	As restated
	£	2015
		£
Turnover	-	240,862
Cost of sales and administration expenses	-	(279,655)
Net (loss)	-	(38,793)
Loss on transfer of activities	-	(142,811)
Retained in subsidiary	-	(181,604)
The assets and liabilities of the subsidiary were:		
Current assets	-	-
Current liabilities	-	-
Total net assets	-	-
Share capital	1	1
Reserves	(1)	(1)
Aggregate share capital and reserves	-	-

JOBS & BUSINESS GLASGOW
(A company limited by guarantee)
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

3. Financial activities of the subsidiaries (continued)

GREATER EASTERHOUSE PROPERTY COMPANY LIMITED

The charity owns a further trading subsidiary, Greater Easterhouse Property Company Limited, incorporated in Scotland. On 31 March 2015 the trade, assets and liabilities of Greater Easterhouse Property Company Limited were transferred to Property by Jobs & Business Glasgow Limited. The company ceased to trade on 31 March 2015, has been dormant since that date, and is expected to be struck off in the near future. The charity owns the entire share capital of 100 ordinary shares of £1 each. A summary of the trading results is shown below.

	2016	As restated
	£	2015
		£
Turnover	-	895,929
Cost of sales and administration expenses	-	(923,607)
Net (loss)	-	(27,678)
Loss on transfer of activities	-	(35,442)
Retained in subsidiary	-	(63,120)
The assets and liabilities of the subsidiary were:		
Fixed assets	-	-
Investment properties	-	-
Current assets	-	-
Current liabilities	-	-
Total net assets	-	-
Share capital	100	100
Reserves	(100)	(100)
Aggregate share capital and reserves	-	-

JOBS & BUSINESS GLASGOW
(A company limited by guarantee)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

3. Financial activities of the subsidiaries (continued)

GLASGOW NORTH PROPERTIES LIMITED

The final trading subsidiary owned by the charity, Glasgow North Properties Limited, is incorporated in Scotland. On 31 March 2015 the trade, assets and liabilities of Glasgow North Properties Limited were transferred to Property by Jobs & Business Glasgow Limited. The company ceased to trade on 31 March 2015, has been dormant since that date, and is expected to be struck off in the near future. The charity owns the entire share capital of 100 ordinary shares of £1 each. A summary of the trading results is shown below.

	2016	2015
	£	£
Turnover	-	23,210
Administration expenses	-	(35,936)
Net (loss)	-	(12,726)
Loss on transfer of activities	-	(40,949)
Retained in subsidiary	-	(53,675)
The assets and liabilities of the subsidiary were:		
Current assets	-	-
Current liabilities	-	-
Total net assets	-	-
Share capital	100	100
Reserves	(100)	(100)
Aggregate share capital and reserves	-	-

JOBS & BUSINESS GLASGOW

(A company limited by guarantee)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

4. Related party transactions and trustees' expenses and remuneration

Malcolm Maclean Graham received remuneration of £120,616 (2015; £116,406) during the year in his role as Chief Executive. This comprised £97,935 (2015; £94,400) gross salary, £3,960 (2015; £3,960) car allowance and £18,721 (2015; £18,046) employers pension contributions. Mr Graham was also reimbursed £135 (2015: £255) for expenses during the year.

During the year, two (2015; none) other Directors were reimbursed £65 (2015; £nil) and four (2015; none) other Directors waived expenses of £369 (2015; £nil).

Included in the table below is a summary of the transactions and year end balances with other group companies in the Glasgow City Council Group:

	Income £'000	Expenditure £'000	Debtors £'000	Creditors £'000
Glasgow City Council	11,049	1,023	1,228	258
Glasgow Life	181	67	-	9

Included within the table below is a summary of the transactions and year end balances with the charity's joint ventures:

	Income £'000	Expenditure £'000	Debtors £'000	Creditors £'000
Modular Developments	3	55	-	-

Due to the nature of the company's operations and the composition of its Board of Directors it is inevitable that transactions will take place with companies or other organisations in which a Director may have an interest. All transactions involving companies or organisations in which a Director may have an interest are conducted at arm's length and in accordance with normal project and programme rules. Directors are not permitted to participate in discussions or decisions on transactions involving their related business.

The company works in partnership with a number of public and other bodies with whom many joint projects have been undertaken during the year. The following persons held official positions with such bodies:

Name	Organisation	Position Held
Jonathan Findlay	Glasgow City Council	Councillor
	East Dunbartonshire Council	Solicitor
	North West Sector Community Planning Partnership	Chair
	Glasgow Works Partnership Board	Board Member
	Drumchapel & Anniesland Area Partnership	Member
	Three Eyes Project Management Committee	Member
	Joint Partnership Board with NHS Greater Glasgow & Clyde	Member

JOBS & BUSINESS GLASGOW**(A company limited by guarantee)****NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016****4. Related party transactions and trustees' expenses and remuneration (continued)**

Hanif Raja	Glasgow City Council Strathclyde Partnership for Transport Glasgow Community Justice Authority Pollokshields Area Partnership Barlinnie Prison Visiting Committee Glasgow Dean of Guild Court Trust	Councillor Substitute Member Chair Member Member
Emma Gillan	Glasgow City Council Glasgow Life Newlands/Auldburn Area Partnership South Sector Community Planning Partnership Joint Partnership Board with NHS Greater Glasgow & Clyde Glasgow Centre for Population Health	Councillor Board Member Chair Member Member Member
John Kelly	Communications Workers Union Glasgow City Council Access Garscadden/Scotstounhill Area Partnership North West Sector Community Planning Partnership	Assistant Secretary – Glasgow & Motherwell Branch Councillor Board Member Chair Member
Dan Donald	Cruden Estates Scotland Simon Community	Director Board Member
Alastair McManus	Lloyds TSB	Regional Director
Donna Vallance	Redgrange Consultants Limited Clyde Valley Group	Director Trustee
Caroline Stuart	Skills Development Scotland	Trustee
Maureen Burke	Glasgow City Council Cordia (Services) LLP Glasgow Kelvin College Strathclyde Partnership for Transport North East Area Partnership Greater Easterhouse Arts Company (GEAC) Clyde & Loch Lomond Local Plan District	Councillor Board Member Board Member Board Member Substitute Board Member Board Member Committee Member
Susan Aitken	Glasgow City Council National Union of Journalists Langside Area Partnership South Sector Community Planning Partnership Commission on Local Tax Reform National Executive Committee (Scottish National Party) Association of Nationalist Councillors Glasgow City Marketing Bureau	Councillor Member Member Member Member Member Member Member Director

JOBS & BUSINESS GLASGOW
(A company limited by guarantee)
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

5. Income from donations and legacies

	Charity 2016 £	As restated Charity 2015 £	Group 2016 £	As restated Group 2015 £
Glasgow City Council	7,311,211	4,187,211	7,311,211	4,187,211
Other grants	666,362	965,851	666,362	648,844
	<u>7,977,573</u>	<u>5,153,062</u>	<u>7,977,573</u>	<u>4,836,055</u>

6. Income from charitable activities

	Charity 2016 £	As restated Charity 2015 £	Group 2016 £	As restated Group 2015 £
Employability	6,843,037	10,458,292	6,843,037	10,458,292
Youth & Learning	1,419,716	1,970,540	1,419,716	1,970,540
Childcare	1,623,854	1,807,251	1,623,854	1,807,251
Enterprise and Social Economy	91,472	1,046,197	91,472	1,046,197
	<u>9,978,079</u>	<u>15,282,280</u>	<u>9,978,079</u>	<u>15,282,280</u>

7. Income from other trading activities

	Charity 2016 £	Charity 2015 £	Group 2016 £	Group 2015 £
252 Saracen Street	24,430	-	24,430	-
Tollcross Road	21,722	-	21,722	-
Ibrox Business Park	3,402	-	3,402	-
Regenerate: Glasgow Limited	-	-	-	1,883
Digital Media Centre	-	3,101	-	3,101
	<u>49,554</u>	<u>3,101</u>	<u>49,554</u>	<u>4,984</u>

8. Investment income

	Charity 2016 £	Charity 2015 £	Group 2016	Group 2015
Bank interest received	100,377	130,584	100,716	130,584
Property by Jobs & Business Glasgow	-	-	1,065,945	606,087
Other property subsidiaries	-	-	-	1,006,914
Gift aid received	143,570	1,045	-	-
Return on pension assets	-	(1,000)	-	(1,000)
Rental Income	1,893,245	1,214,197	1,893,245	1,214,197
	<u>2,137,192</u>	<u>1,344,826</u>	<u>3,059,906</u>	<u>2,956,782</u>

JOBS & BUSINESS GLASGOW
(A company limited by guarantee)
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

9. Raising funds – expenditure on other trading activities - Group

	Direct Costs £	Support Costs £	Total 2016 £	Total 2015 £
Regenerate: Glasgow Limited	2,842	-	2,842	2,881
252 Saracen Street	34,892	-	34,892	-
Tollcross Road	24,616	-	24,616	-
Ibrox Business Park	19,336	-	19,336	-
	<u>81,686</u>	<u>-</u>	<u>81,686</u>	<u>2,881</u>

10. Raising funds – expenditure on investment activities - Group

	Direct Costs £	Support Costs £	Total 2016 £	Total 2015 £
Property rental costs	629,002	-	629,002	812,847
Property by Jobs & Business Glasgow	1,021,584	-	1,021,584	314,268
Other property subsidiaries	-	-	-	1,225,978
	<u>1,650,586</u>	<u>-</u>	<u>1,650,586</u>	<u>2,353,093</u>

11. Allocation of governance and support costs - Group

The breakdown of support costs and how these were allocated between governance and other support costs is shown in the table below:

Cost type	Employability £	Youth & Learning £	Childcare £	Enterprise & Social Economy £	Governance £	Basis of apportionment
Salaries	3,784,369	34,248	599,335	1,147,298	33,070	<i>Headcount</i>
Property Costs	1,080,806	9,781	171,168	327,665	-	<i>Headcount</i>
Total	<u>4,865,175</u>	<u>44,029</u>	<u>770,503</u>	<u>1,474,963</u>	<u>33,070</u>	

Governance costs:

	2016 £	2015 £
Audit Fee	37,395	26,608
Support costs (see above)	33,070	24,496
	<u>70,465</u>	<u>51,104</u>

JOBS & BUSINESS GLASGOW
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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

11. Allocation of governance and support costs – Group (continued)

Breakdown of governance and support costs by activity;

	Support costs	Governance	2016	2015
	£	£	£	£
Employability	4,865,175	47,916	4,913,091	3,647,022
Youth & Learning	44,029	433	44,462	33,005
Childcare	770,503	7,589	778,092	577,583
Enterprise & Social Economy	1,474,963	14,527	1,489,490	1,105,658
	<u>7,154,670</u>	<u>70,465</u>	<u>7,225,135</u>	<u>5,363,268</u>

12. Analysis of expenditure on charitable activities – Group

	Employability	Youth & Learning	Childcare	Enterprise & Social Economy	Property	2016 Total	2015 Total
	£	£	£	£	£	£	£
Staff Costs	9,812,572	630,861	1,447,939	929,935	5,987	12,827,294	13,594,514
Property	164,225	11,675	201,669	10,416	27,163	415,148	386,212
Transport	-	402	15,494	-	-	15,896	26,688
Supplies & services	1,698,715	62,292	181,569	202,583	51,247	2,196,406	2,137,136
Governance costs	47,916	433	7,589	14,527	-	70,465	51,554
Support costs	4,865,175	44,029	770,503	1,474,963	-	7,154,670	5,311,714
Pension costs	91,798	6,120	13,327	8,699	56	120,000	82,000
	<u>16,680,401</u>	<u>755,812</u>	<u>2,638,090</u>	<u>2,641,123</u>	<u>84,453</u>	<u>22,799,879</u>	<u>21,589,818</u>

13. Analysis of staff costs and remuneration of key management personnel

	2016	2015
	£	£
Salaries and wages	13,563,882	14,586,373
Social security costs	980,572	1,089,365
Employer contributions to defined benefit pension schemes	358,937	591,998
Employer contributions to defined contribution pension schemes	118,147	114,899
Total staff costs	<u>15,021,538</u>	<u>16,382,635</u>

JOBS & BUSINESS GLASGOW
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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

13. Analysis of staff costs and remuneration of key management personnel (continued)

The number of employees whose employee benefits fell within the following bands are as follows:

	2016 £	2015 £
£60,001 - £70,000	7	-
£80,001 - £90,000	1	1
£100,001 - £110,000	1	1

	Charity 2016 No.	Charity 2015 No.	Group 2016 No.	Group 2015 No.
The average weekly number of persons, by headcount, employed by the charity during the year was:	459	491	475	503

	Charity 2016 £	Charity 2015 £	Group 2016 £	Group 2015 £
Key management personnel remuneration	662,521	642,416	662,521	642,416

The trustees are not in a position to disclose the benefit to Key Management Personnel from the actuarial movement in the pension scheme, as in the Trustees' opinion, the charge by the actuaries to obtain the information was disproportionate to the benefit to the reader. They did not consider this appropriate use of charitable funds.

During the year the charity made no termination payments however these financial statements include an accrual of £2,654,346 in relation to a Voluntary Severance Scheme which was opened prior to 31 March 2016.

14. Net income/(expenditure) for the year

This is stated after charging:	2016 £	2015 £
Depreciation	384,229	378,235
Audit fees		
- Parent audit fee	24,000	25,845
- Subsidiary fees	12,099	6,305
- Non audit fees	5,200	29,138
Loss on disposal of fixed assets	168,230	3,938
Operating leases		
- Equipment	10,433	10,126
- Property	390,335	296,298

JOBS & BUSINESS GLASGOW
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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

15. Government Grants

Income from government grants comprises:		2016	2015
		Total	Total
		£	£
GCC – Services contract	a)	7,311,211	7,511,211
GCC – Integrated Grants	b)	685,363	905,542
GCC – Childcare Strategy	c)	96,595	-
GCC – Assisted Garden Maintenance	d)	1,330,000	2,612,377
GCC – Sundry ILM	e)	59,906	-
GCC – Grant Derelict land	f)	395,954	-
GCC – People Skills	g)	14,043	22,100
GCC – Glasgow Guarantee	h)	70,000	30,000
GCC – Nursery Partnership funds	i)	149,219	-
GCC- Secondments	j)	79,444	-
DWP – New Enterprise allowance (GCC – source DWP)	k)	(99,091)	-
HR Micro Business	l)	51,504	-
GCC - Youth Enterprise Zone	m)	33,094	-
Skills Development Scotland	n)	1,269,102	1,395,509
NHS – Bridging Service	o)	274,000	430,000
DWP – AGM	p)	-	26,162
		11,720,344	12,932,902

- a) Glasgow City Council Services Contract
A 25-year contract for the delivery of services across a range of Key Performance Indicators. Each year the KPI's will be agreed by both parties and monitored by GCC on a quarterly basis.
- b) GCC Integrated Grants
This represents a range of specific grants monitored by democratic services across a range of service provision. Each award is project specific, with funds designated as restricted funds.
- c) GCC Childcare Strategy
An Integrated Grant to support Childcare provision in deprived areas of the city.
- d) GCC Assisted Garden Maintenance
This funds an intermediate labour market project to assist clients furthest from the labour market to gain employability and work skills with a view to gaining future employment.
- e) GCC Sundry ILM project
Bespoke ILM projects in conjunction with Glasgow City Council to assist clients furthest from the labour market to gain employability and work skills with a view to gaining future employment.
- f) GCC Derelict Land Funding
Funding to further prepare vacant land at Saracen Street with a view to making this more attractive to prospective developers, bringing employment to the local area.

JOBS & BUSINESS GLASGOW

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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

15. Government Grants (Continued)

- g) GCC People Skills Glasgow,
Project delivering HR skills to small business, and contribution of £6k to Making It Work. 2015 Income from the Responsive Training Fund, aimed at providing targeted training opportunities of £22k and £30k grant funding to assist employers take on young people aged 16-24.
- h) GCC Glasgow Guarantee Fund
This fund is aimed at assisting young people access apprenticeship positions throughout the City.
- i) GCC Nursery Partnership Funds
GCC offers partnership status to a number of nurseries where they provide a free place to children entitled to be provided with 15 hours' nursery provision per week.
- j) GCC Secondments
JBG seconds a number of our guidance staff to support GCC's employability activities.
- k) DWP – New Enterprise allowance. A DWP funded project with the aim of creating a partnership working with Business Mentors supporting the client from the business concept through to training.
- l) HR Support for Micro Business
An ERDF funded project administered through GCC aimed at providing HR support to small micro businesses, supporting the businesses in the development and implementation of staff policies.
- m) GCC Youth Enterprise Zone
Funded by GCC the project funded the creation of a specific area where young entrepreneurs could access incubator space, and access business advisors for advice and support when starting up in business with the aim of increasing sustainability.
- n) Skills Development Scotland
Funding for the Youth Employability Service and Modern Apprentice Projects aimed at providing employability training to young people
- o) NHS Bridging Service
Funding received through NHS to support employability activities with clients furthest from the labour market who have a number of barriers, mental health, health, referrals from criminal justice etc.
- p) DWP - AGM
This is a DWP funded wage subsidy for employers for eligible young people for a minimum of 13 weeks and a maximum of 26 weeks, which has been used in JBG's assisted garden maintenance programme (AGM).

JOBS & BUSINESS GLASGOW
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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

16. Tangible Fixed Assets - Group

	Freehold Land & Buildings £	Leasehold Properties £	Fixtures & Equipment £	Office Equipment £	Computer Equipment £	Motor Vehicles £	Total £
Cost or valuation							
At 1 April 2015	7,846,164	2,902,945	1,449,987	134,905	1,642,975	88,429	14,065,405
Additions	395,955	-	99,747	-	63,256	-	558,958
Disposals	(18,089)	-	(12,963)	(37,014)	(144,410)	(88,429)	(300,905)
At 31 March 2016	8,224,030	2,902,945	1,536,771	97,891	1,561,821	-	14,323,458
Depreciation							
At 1 April 2015	537,334	2,157,341	1,419,499	134,905	755,511	74,898	5,079,488
Charge for the year	69,088	68,570	3,205	-	235,997	7,369	384,229
Eliminated on disposals	(341)	-	(12,963)	(37,014)	-	(82,267)	(132,585)
At 31 March 2016	606,081	2,225,911	1,409,741	97,891	991,508	-	5,331,132
Net book value							
At 31 March 2016	7,617,949	677,034	127,030	-	570,313	-	8,992,326
At 31 March 2015 – as restated	7,308,830	745,604	30,488	-	887,464	13,531	8,985,917

JOBS & BUSINESS GLASGOW
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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

16. Tangible Fixed Assets - Charity

	Freehold Land & Buildings £	Leasehold Properties £	Fixtures & Equipment £	Office Equipment £	Computer Equipment £	Motor Vehicles £	Total £
Cost or valuation							
At 1 April 2015	7,801,849	2,902,945	969,972	134,905	1,642,975	88,429	13,541,075
Additions	395,955	-	-	-	63,256	-	459,211
Disposals	-	-	(12,963)	(37,014)	(144,410)	(88,429)	(282,816)
At 31 March 2016	8,197,804	2,902,945	957,009	97,891	1,561,821	-	13,717,470
Depreciation							
At 1 April 2015	521,436	2,157,341	969,972	134,905	755,511	74,898	4,614,063
Charge for the year	67,504	68,570	-	-	235,997	7,369	379,440
Eliminated on disposals	-	-	(12,963)	(37,014)	-	(82,267)	(132,244)
At 31 March 2016	588,940	2,225,911	957,009	97,891	991,508	-	4,861,259
Net book value							
At 31 March 2016	7,608,864	677,034	-	-	570,313	-	8,856,211
At 31 March 2015 – as restated	7,280,413	745,604	-	-	887,464	13,531	8,927,012

JOBS & BUSINESS GLASGOW
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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

17. Investment properties

	Charity 2016 £	Charity 2015 £	Group 2016 £	Group 2015 £
Valuation at 31 March 2015	3,300,000	2,800,000	7,135,000	6,505,000
Additions	830,000	451,065	830,000	451,065
Disposals	-	-	(500,000)	-
Revaluations	295,000	48,935	(70,000)	178,935
Valuation at 31 March 2016	4,425,000	3,300,000	7,395,000	7,135,000

The fair value of the investment properties has been arrived at on the basis of a valuation carried out at July 2016 by J & E Shepherd Chartered Surveyors, who are not connected with the company. The valuation was made on a fair value basis, by undertaking a desk top review, with reference to market evidence of transaction prices for similar properties. J & E Shepherd Chartered Surveyors did not undertake an inspection of the subjects as part of the methodology adopted in determining the fair value of the investment properties.

18. Fixed Asset Investments

	Charity		Group	
	2016 £	2015 £	2016 £	2015 £
Investments in Subsidiaries	100	303	-	-
Investments in Joint Ventures	24,899	24,995	24,899	24,995
	24,999	25,298	24,899	24,995

Property by Jobs and Business Glasgow Limited (Formerly Castlemilk Property Company Limited) - £100 (2014: £100) (100 ordinary £1 shares)

The trading subsidiary is wholly owned by the charity and operates various commercial properties. The subsidiary had a retained deficit of £257,440 for the year.

Regenerate: Glasgow Limited – company limited by guarantee

Regenerate: Glasgow Limited was an intermediary between Glasgow’s five Local Regeneration Agencies and funding providers. On 31 May 2011 Regenerate: Glasgow Limited ceased to trade and is currently in the process of completing final funding claims, following which it is the directors’ intention to submit an application for strike off to the Registrar of Companies.

Modular Developments Limited

The charity holds a 50% share in the joint venture Modular Developments Limited. The charity own share capital of £90,000 (90,000 ordinary £1 shares). The carrying value of this investment is £Nil (2015 - £Nil).

Govan Digital Media Centre Limited - £24,899 (2015 - £24,995)

The charity holds a 50% share in the joint venture Govan Digital Media Centre Limited. The charity owns share capital of £50 (50 ordinary £1 shares)

Dalsetter Business Village Limited - £nil (2015 - £1)

The trading subsidiary is wholly owned by the charity and has retained losses of £1. The charity owns the entire share capital of 1 ordinary share and the carrying value of the investment is £nil (2015 - £1). This company will be struck off in the near future.

JOBS & BUSINESS GLASGOW**(A company limited by guarantee)****NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016****18. Fixed Asset Investments (continued)****Greater Easterhouse Property Company Limited - £nil (2015 – £100)**

The trading subsidiary is wholly owned by the charity and has retained losses of £100. The charity owns the entire share capital of 100 ordinary shares and the carrying value of the investment is £nil (2015 - £100). This company will be struck off in the near future.

Glasgow North Properties Limited - £nil (2015 – £100)

The trading subsidiary is wholly owned by the charity and has retained losses of £100. The charity owns the entire share capital of 100 ordinary shares and the carrying value of the investment is £nil (2015 - £100). This company will be struck off in the near future.

19. Debtors

	Charity		Group	
	2016 £	2015 £	2016 £	2015 £
Trade debtors	1,288,526	748,901	1,466,199	948,097
Other debtors & Prepayments	176,550	248,613	209,550	423,902
Accrued income	469,910	376,246	469,910	376,246
Amounts due from group entities	2,627,352	2,356,489	961,530	802,729
	<u>4,562,338</u>	<u>3,730,249</u>	<u>3,107,189</u>	<u>2,550,974</u>

Included in accrued income is £208,328 (2015: £208,328) of ERDF funding due in respect of the Saracen Street capital project. Whilst the claim has been approved it is not being paid at this time until the enquiries into previous European funding claims (see note 31) have been resolved.

20. Creditors: amounts falling due within one year

	Charity		Group	
	2016 £	2015 £	2016 £	2015 £
Bank loan	218,420	296,650	218,420	296,650
Trade creditors	624,935	334,124	833,793	465,920
Sundry creditors	2,921,299	783,442	2,921,299	1,379,547
Other creditors and accruals	3,972,947	3,938,859	4,516,262	3,938,859
Deferred income (Note 21)	217,954	170,677	217,954	170,677
Taxation and social security costs	641,650	402,300	641,650	508,585
Amounts due to group undertakings	409,867	349,077	-	309,350
	<u>9,007,072</u>	<u>6,275,129</u>	<u>9,349,378</u>	<u>7,069,588</u>

21. Deferred Income

	Charity £	Group £
Balance as at 1 April 2015	170,677	170,677
Amount released to income earned from charitable activities	(170,677)	(170,677)
Amount deferred in year	217,954	217,954
Balance as at 31 March 2016	<u>217,954</u>	<u>217,954</u>

JOBS & BUSINESS GLASGOW
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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

21. Deferred Income Group and Charity (continued)

Deferred income at 31 March 2016 comprises income received in advance of the service provision for the following projects:

	£
GCC IGF	12,007
Big Lottery Fund	4,857
Deposits	89,820
Others	111,270
	<u>217,954</u>

22. Creditors: amounts falling due after more than one year

	Charity		Group	
	2016 £	2015 £	2016 £	2015 £
Secured bank loan	1,351,108	1,569,379	1,351,108	1,569,379
	<u>1,351,108</u>	<u>1,569,379</u>	<u>1,351,108</u>	<u>1,569,379</u>
Analysed as:				
Within 1-2 years	226,559	218,068	226,559	218,068
Within 2-5 years	718,161	662,204	718,161	662,204
In more than five years	406,388	689,107	406,388	689,107
	<u>1,351,108</u>	<u>1,569,379</u>	<u>1,351,108</u>	<u>1,569,379</u>

23. Deferred tax

	Charity		Group	
	2016 £	2015 £	2016 £	2015 £
Deferred tax liability	-	-	17,719	-
	<u>-</u>	<u>-</u>	<u>17,719</u>	<u>-</u>

24. Operating Leases Commitments – Group

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows;

	2016	2015	2016	2015
	Land and Buildings Charity £	Land and Buildings Charity £	Land and Buildings Group £	Land and Buildings Group £
Under 1 year	362,981	503,268	405,718	546,005
Between 2 and 5 years	483,333	470,442	627,170	641,391
Over 5 years	1,542,688	1,663,172	2,071,334	2,207,443
	<u>2,349,002</u>	<u>2,606,882</u>	<u>3,104,222</u>	<u>3,394,839</u>

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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

25. Funds reconciliation - Group

Analysis of Fund movements	As restated Balance b/fwd £	Income £	Expenditure £	Transfers £	Gains/ (Losses) £	Fund c/fwd £
Unrestricted funds						
Provision for Marketing	35,000	-	-	(35,000)	-	-
Provision for Redundancy	674,448	-	51,856	(622,592)	-	-
Provision for Loan Repayments	1,866,029	-	-	(1,866,029)	-	-
Refurbishment and Consolidation of Properties	1,784,004	-	399,349	(1,384,655)	-	-
Clyde Gateway	-	16,625	-	-	-	16,625
Provision for Delivery of Services 2015 - Gap Funding	600,000	-	1,146,878	546,878	-	-
Tangible Fixed Assets	7,899,510	-	401,139	(372,074)	-	7,126,297
Investment property	7,135,000	-	-	330,000	(70,000)	7,395,000
GHA pilot	17,705	-	17,705	-	-	-
Govanhill	22,474	-	22,474	-	-	-
Capital redemption reserve	300,000	-	-	-	-	300,000
Total designated funds	20,334,170	16,625	2,039,401	(3,403,472)	(70,000)	14,837,922
General funds	213,445	19,398,979	21,236,662	3,403,472	-	1,779,234
Total unrestricted funds	20,547,615	19,415,604	23,276,063	-	(70,000)	16,617,156
Restricted funds						
Bridging Services	205,000	274,000	205,000	-	-	274,000
Youth Employability Fund	2,359	-	2,359	-	-	-
JP Morgan	31,869	-	-	-	-	31,869
The Big Lottery	434,058	948,463	919,729	-	-	462,792
Vulnerable Young Women	28,620	-	-	-	-	28,620
Environmental East	3,000	-	-	-	-	3,000
Support to people North	73,923	-	-	-	-	73,923
Oatlands	270	-	-	-	-	270
Employability Fund – DWP	106,050	-	-	-	-	106,050
GCC School Gates	9,000	-	9,000	-	-	-
GCC derelict land	-	395,954	-	-	-	395,954
SDS CWR	-	15,560	-	-	-	15,560
Communities Facilities Fund	-	15,531	-	-	-	15,531
Total restricted funds	894,149	1,649,508	1,136,088	-	-	1,407,569
Pension Funds	(1,050,000)	-	120,000	-	465,000	(705,000)
TOTAL FUNDS	20,391,764	21,065,112	24,532,151	-	395,000	17,319,725

JOBS & BUSINESS GLASGOW
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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

25. Funds reconciliation (Continued)

- a) The unrestricted funds are available to be spent for any of the purposes of the charity.

The Trustees have created the following designated funds:

Provision for Marketing

This was a provision for the remaining re-branding activities including snagging for building signages and other marketing activities. It was released at 31 March 2016.

Provision for Redundancy

A provision was made against future redundancy costs. This provision is reviewed annually and was released at 31 March 2016.

Provision for Loan repayments

This was released at 31 March 2016.

Refurbishment and Consolidation of Properties

The unspent balance on this fund was released at 31 March 2016

Clyde Gateway

Providing community engagement and employability services to some of the most disadvantaged people in the city, funded on an annual basis to November.

Provision for Delivery of Services 2015 – Gap Funding

There was uncertainty regarding the release date of the 2014- 2020 European Structural Funds. A fund was designated to allow the company to continue to deliver services to clients pending the outcome of grant awards. This was more than expended during the year.

Tangible Fixed Assets

The provision reflects the net book value of our assets less the provision for repayment of loans.

Investment Property

The provision reflects the value of our Investment Property. Included within this fund is a revaluation surplus of £160k.

GHA Pilot

This programme funded by GHA supports GHA tenants who have gone through the Work Programme and have not yet gained employment.

Govanhill

This project is funded by Govanhill Housing Association and provides work experience to clients who have no recent experience in the labour market.

Capital Redemption Reserve

This is the capital redemption reserve of the subsidiary company, Property by Jobs & Business Glasgow.

Bridging Services

Funding received in advance for 2016/17 activities.

25. Funds reconciliation (Continued)

b) Restricted funds comprise of the following funds

Youth Employability Service

A youth employability service aimed at young people aged 16-19 with barriers to employment offering training and employability services. This fund provides grant support to encourage employers to employ young people aged 16 -24.

J P Morgan

The project focusses on connecting clients to enterprise by providing mentoring support.

The Big Lottery – School Gates

Funds received during 2012/13 in relation to The Big Lottery Funded School Gates Project included advance payments which are yet to be expended.

Vulnerable Young Women

The project supports young women, many of whom are going into the labour market for the first time, to gain entry into the labour market.

Environmental Project - Young roots

These funds will be utilised to enable the youth of the area to become involved in the rediscovery of the Nature Reserve of the Northern Greenbelt of Greater Easterhouse.

Support to People - North

These are funds received to undertake employability and skills development programmes, working with clients in a flexible way to support them, tackling barriers to employment and assisting with aftercare support. Balances held are available for use for continuing the programmes for people development and to assist with career skills and employment opportunities.

Oatlands Development

Contribution to recruitment and equipment office costs for a development worker for the Oatlands Development Programme.

Employability Fund

Provides clients with a variety of targeted learning and support to enable them to take up employment.

School Gates

Funds received during 2012/13 in relation to The Big Lottery Funded School Gates Project included advance payments which are yet to be expended.

GCC Derelict Grant

Funds received from GCC to carry out ground remediation work on JBG land on Saracen Street.

SDS CWR

Certificate of Work Readiness SQA award for young people, it includes a work experience placement in which the employer's opinion is key to the certificate being awarded.

Communities Facilities Fund

Funds received from GCC to support assets transferred by community based organisations within agreed locations.

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26. Net assets over funds - Group

	Unrestricted Funds £	Restricted Funds £	Pension Funds £	Total 2016 £
Tangible fixed assets	8,992,326	-	-	8,992,326
Investment properties	7,395,000			7,395,000
Investments	24,899	-	-	24,899
Debtors	2,898,861	208,328	-	3,107,189
Current investments	3,500,000	-	-	3,500,000
Cash	4,524,275	1,199,241	-	5,723,516
Current liabilities	(9,349,378)	-	-	(9,349,378)
Long term liabilities	(1,351,108)	-	-	(1,351,108)
Provisions	(17,719)	-	-	(17,719)
Pension Liability	-	-	(705,000)	(705,000)
	16,617,156	1,407,569	(705,000)	17,319,725

27. Reconciliation of net expenditure to net cash flow from operating activities

Group	2016 £	2015 £
Net expenditure for the year (as per the Statement of Financial Activities)	(3,467,039)	(865,691)
Adjustments for:		
Depreciation charges	384,229	378,235
Pension fund charge	120,000	83,000
Dividends, interest and rents from investments	(3,059,906)	(2,956,782)
Interest payable	79,103	65,922
Loss on the sale of fixed assets	168,230	3,938
Decrease in investments	96	-
Decrease in stocks	-	851
(Increase)/decrease in debtors	(556,215)	1,611,093
Increase in creditors	2,375,739	1,400,979
Net cash used in operating activities	(3,955,763)	(278,455)
Charity	2016 £	2015 £
Net expenditure for the year (as per the Statement of Financial Activities)	(3,583,185)	(1,119,658)
Adjustments for:		
Depreciation charges	379,440	365,870
Dividends, interest and rents from investments	(2,137,192)	(1,344,826)
Interest payable	51,770	65,922
Pension fund charge	120,000	83,000
Loss on the sale of fixed assets	150,572	-
Decrease in investments	299	98
Decrease in stocks	-	851
(Increase) in debtors	(832,089)	1,725,640
Increase in creditors	2,810,173	1,149,239
Net cash used in operating activities	(3,040,212)	926,136

JOBS & BUSINESS GLASGOW
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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

28. Analysis of cash and cash equivalents

	Charity 2016 £	Charity 2015 £	Group 2016 £	Group 2015 £
Cash in hand	4,721,760	2,262,262	5,723,516	2,883,845
Notice deposits (less than 3 months)	3,500,000	8,500,000	3,500,000	8,500,000
Total cash and cash equivalents	8,221,760	10,762,262	9,223,516	11,383,845

29. Pension Commitments

Strathclyde Pension Fund (SPF)

The Charity's senior management team belong to the Strathclyde Pension Fund (SPF), which is of the Defined Benefit type. The assets of the SPF scheme are held in a separate, trustee administered fund.

Employee contribution rates are calculated on a tiered contribution basis dependant on pensionable salary.

The major assumptions made by the actuary in valuing the scheme are as follows:

	2016 % p .a	2015 % p .a
Inflation/ Pension Increase Rate	2.2%	2.4%
Salary Increase Rate	4.2%	4.3%
Discount rate	3.5%	3.2%

Life expectancy is based on the Fund's Vita Curves assuming the current rate of improvements has peaked and will converge to a long term rate of 1.25% p.a. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	Males	Females
Current pensioners	22.1 years	23.6 years
Future pensioners	24.8 years	26.2 years

The net pension liability was:

	2016 £'000	2015 £'000
Estimated Employer Assets	3,310	3,136
Present Value of Scheme Liabilities	(4,015)	(4,186)
Net Pension Liability	(705)	(1,050)

There are no unfunded liabilities for which a provision needs to be made.

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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

29. Pension Commitments (Continued)

FRS102 – Statement of Financial Activities disclosure:

	2016	2015
	£'000	£'000
Current service cost	203	162
Past service cost	-	-
	<u>203</u>	<u>162</u>
Contributions by employer	(118)	(115)
Pension service cost provision	<u>85</u>	<u>47</u>

Reconciliation of fair value of scheme assets:	2016	2015
	£'000	£'000
Opening fair value of scheme assets	3,136	2,021
Expected Return on Assets	102	89
Contributions by Members	51	49
Contributions by Employer	118	115
Actuarial Gains/(Losses)	(19)	938
Estimated Benefits Paid	(78)	(76)
	<u>3,310</u>	<u>3,136</u>

Reconciliation of defined benefit obligation:

	2016	2015
	£'000	£'000
Opening defined benefit obligation	4,186	2,851
Current Service Cost	203	162
Interest Cost	137	125
Contributions by Members	51	49
Actuarial Losses/(Gains)	(484)	1,075
Estimated Benefits Paid	(78)	(76)
	<u>4,015</u>	<u>4,186</u>

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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

29. Pension Commitments (Continued)

History of experience gains and losses for the years ended 31 March:

	2016	2015
	£'000	£'000
Scheme Assets	3,310	3,136
Defined benefit obligation	(4,015)	(4,186)
Deficit	<u>(705)</u>	<u>(1,050)</u>
Experience adjustments on scheme assets	(19)	938
Experience adjustments on scheme liabilities	(484)	1,075

Analysis of the amount charged to staff costs (Note 13):

	2016	2015
	£'000	£'000
Current Service costs	203	162
Past service cost	-	-
Total operating charge	<u>203</u>	<u>162</u>
Less: contributions paid	(118)	(115)
Current service cost provision	<u>85</u>	<u>47</u>

Amount charged to operating costs (Note 12):

Expected Return on Employer Assets	102	89
Interest on Pension Scheme Liabilities	<u>(137)</u>	<u>(125)</u>
Net cost of financing and assets	<u>(35)</u>	<u>(36)</u>

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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

29. Pension Commitments (Continued)

Analysis of the amount recognised in the Statement of Financial Activities	2016	Restated
	£'000	2015
		£'000
Changes in value of scheme assets: Actuarial Gains	(19)	938
Changes in defined benefit obligations: Actuarial Gain/(Losses)	484	(1,075)
Actuarial gain/(loss) recognised in SOFA	<u>465</u>	<u>(137)</u>

Movement in deficit during the year:

Deficit at beginning of the year	(1,050)	(830)
Movement in year:		
Current Service Cost	(203)	(162)
Past Service Cost	-	-
Employer contributions	118	115
Net return on financing and assets	(35)	(36)
Actuarial gains/(losses)	465	(137)
Deficit at end of year	<u>(705)</u>	<u>(1,050)</u>

The estimated employer's contributions for the year to 31 March 2017 are £118,000.

30. Prior year adjustment

At 31 March 2015 a provision for repayment of European Funding was included in the financial statements and a contingent liability was disclosed because the matter had not been finalised. Subsequent to the approval of the Financial Statements a fraud was discovered and, as a result, all European Funding received under the affected programmes was required to be repaid. Amounts included in debtors were written off. The clawback of European Funding has been dealt with as a prior year adjustment. The impact on the financial statements is set out below:

Reconciliation of reported net income (Charity)	Note	£
2015 net outgoings as restated under FRS 102	1b	(540,695)
Reversal of 2015 European funding		(994,612)
Release of 2015 provision against accrued income		327,584
2015 net outgoings as restated		<u>(1,207,723)</u>
Reconciliation of Funds (Charity)		At 1 April
		2014
		£
Funds as restated under FRS 102	1b	22,397,496
Reversal of European funding		(3,382,788)
Release of 2014 provision against accrued income		43,328
Funds as restated		<u>19,058,036</u>

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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

30. Prior year adjustment

Reconciliation of Funds (Charity)	Note	At 1 April 2015 £
Funds as restated under FRS 102	1b	21,856,801
2014 adjustment		(3,339,460)
Reversal of European funding		(994,612)
Release of 2015 provision against accrued income		327,584
Funds as restated		<u>17,850,313</u>
Reconciliation of reported net income (Group)		£
2015 net (outgoings) as restated under FRS 102	1b	(156,728)
Reversal of 2015 European funding		(994,612)
Release of 2015 provision against accrued income		327,584
2015 net (outgoings) as restated		<u>(823,756)</u>
Reconciliation of Funds (Group)		At 1 April 2014 £
Funds as restated under FRS 102	1b	24,554,980
Reversal of European funding		(3,382,788)
Release of 2014 provision against accrued income		43,328
Funds as restated		<u>21,215,520</u>
Reconciliation of Funds (Group)		At 1 April 2015 £
Funds as restated under FRS 102	1b	24,398,252
2014 adjustment		(3,339,460)
Reversal of European funding		(994,612)
Release of 2015 provision against accrued income		327,584
Funds as restated		<u>20,391,764</u>

31. Contingent Liability

Following agreement by the Board to repay European Funding the ongoing investigation into European funding has been extended with records being examined relating to funds received by the Local Regeneration Agencies prior to their merger to become Jobs & Business Glasgow. The Trustees do not believe that any material liability will arise from the investigation therefore no provision has been made in these financial statements, however the issue is the subject of discussions between Glasgow City Council and the Scottish Government; the outcome of which is unknown at the date of signing these financial statements.