Jisc Trustees' Report and Financial Statements

Year ended 31 July 2021

Charity registration number: 1149740

Company registration number: 05747339

Contents

Report from the Chair

First, I would like to offer the sincere thanks of the board to every member of Jisc staff, who have worked tirelessly over the past year to support the organisation and its members. Our experience of the past year has once again highlighted the adaptability of the organisation and if there is a positive that comes from the past months, it is that there is a renewed understanding of the possibilities for digital in the education and research system. At such a critical time for Jisc and the wider Higher Education, Further Education, research, and skills sectors, it is an honour and a privilege to have taken over as chair.

The pandemic continues to impact Colleges and universities, who look to Jisc for support. While in many places there has been a shift back to on-campus provision, we know that the possibilities and benefits of online learning and teaching have been heralded more than ever before. Looking forward, Jisc will play a critical role in supporting every college and university to provide a high-quality blended learning approach for their students.

Of course, a critical part of continuing to provide online education is ensuring that students have access to the devices, connectivity and learning spaces that they need. We are continuing our work to find practical solutions to address some of these issues and are pleased to be a member of an All-Party Parliamentary Group looking to address digital inclusion issues at a national level. One practical step we have taken has been the extension of Eduroam into many more public spaces and we will be exploring how this might be extended further.

The Janet network is a crucial part of Jisc's responsibilities, and it continues to provide a secure, high-capacity, and collaborative infrastructure for our members. Our work to upgrade and rearchitect Janet remains ongoing to safeguard its future resilience and integrity. Jisc is aware that the long-term strategy for such support is a priority, and we will be returning to this issue during the year.

We have worked with UKRI and Research England to develop dashboards to underpin the Knowledge Exchange Framework and have supported the establishment of a new body (Open Access Switchboard) to drive a move towards open access as the predominant research publication model. Research England has also tasked Jisc with developing a new publishing platform for recording and appraising research in real time, which will transform research communication and culture.

With more research, teaching and learning activity taking place online than ever before, cyber security remains a priority issue for many colleges and universities. The increased sophistication and frequency of cyber-attacks has been challenging given the ever-greater demand for Jisc's services. We will continue to protect our members and will do more to ensure that colleges and universities understand the key actions that they need to take to be able to protect themselves. It is essential that we support the leaders of our member organisations to understand how successful attacks can most effectively be prevented and, where necessary, how best to recover from them. The board is well aware that this is a priority for the sectors we serve, and Jisc will be communicating more on this topic in the near future.

At an organisational level, we are looking closely at our environmental impact and are committed to working towards NetZero by 2040, though we aim to bring that target forward. Our own learning in this regard will in turn help our members to achieve their own carbon emissions targets, particularly as we know that the digital element is an important part of every organisation's sustainability story.

Of course, I must also take this opportunity to thank Professor David Maguire, who preceded me as Chair, and Dr Paul Feldman who served as CEO for 6 years. David led the board through a significant period of evolution and change for Jisc and our members. In addition to overseeing successful mergers in recent years with Eduserv, HECSU and HESA Enterprise, David led the ground-breaking work on *Learning and Teaching Reimagined* that Jisc delivered with Universities UK, Advance HE and Emerge Education. I, along with my fellow members of the board, would like to thank David for his unwavering commitment to ensuring the success of Jisc throughout his tenure. Paul has recently retired from the CEO role, and the board has been extremely impressed by the transformation of Jisc during his tenure. Paul delivered a number of successful mergers, guided the organisation through the pandemic, and drove a range of developments over recent years to secure Jisc's current standing as a strong member-led sector organisation. We extend our sincere thanks to Paul for all that he accomplished during this time.

Finally, the board would like to welcome Heidi Fraser-Krauss who joined as the new CEO in September 2021. Heidi brings considerable experience of Jisc and digital systems and we look forward to supporting her plans, confident that she will take Jisc into its next phase building on the strong foundations laid by Paul.

These are both exciting and challenging times for a digital organisation, and while we are proud of all that we have achieved to date, we remain ambitious in our outlook for the future, and I look forward to working with Heidi and the board to build on our success to date.

Professor Paul Boyle

Professor Paul Boyle
Jisc Chair
20 December 2021

Strategic Report

The trustees present their strategic report for the year ended 31 July 2021.

Our vision and aim

We are the UK higher, further education and skills sectors' not-for-profit organisation for digital services and solutions.

We believe education and research improves lives, and technology improves education and research.

Vision: for the UK to be a world leader in technology for education and research

Mission: to power and empower our members with the technology and data they need to succeed

We are a member organisation, working in support of further education, higher education and research in the UK. We also provide services to local government, public sector, non-profits and industry customers.

We support our members by providing services in a range of areas critical to their success:

Cloud – consultancy, support and reseller of cloud services

Libraries, learning resources and research – shared services, infrastructure and advice

Connectivity – network connection services and infrastructure

Student experience – tools to enrich learning and employability

Cyber security – protecting the network and member organisations

Trust and identity – manage access to systems efficiently and effectively

Data analytics – address strategic challenges through data

Advice and guidance – guides, training and consultancy

Activities and achievements 2020-21

Covid-19 pandemic

The pandemic has continued to impact the way that our members deliver learning, teaching and research. We have continued the significant support offered to our members since the start of the pandemic including guidance and thought leadership to help our members adapt to the ongoing changes to the delivery of learning and teaching to students. Paramount to our work is recognising and supporting the different digital capabilities and readiness across our members and tailoring our support to support their particular needs.

The final report of the Learning and teaching reimagined initiative (a partnership with UUK, Advance HE and Emerge Education and with input from over 1,000 sector leaders, staff and students) was published in November 2020. **Learning and teaching reimagined: A new dawn for higher education?**' explores the experience of 2020 as a result of the pandemic, changing aspirations of the nature and shape of learning and teaching for 2021-22 and a vision for 2030. Since the release of the report, we have continued to work with the HE sector to address the acceleration of the digital agenda and launched our **HE strategy 2021 - 2024** and our **research and innovation sector strategy for 2021-23.**

In 2020, along with AoC, we launched a cross-sector research project in response to the shift to online working and studying in FE as a result of the pandemic. The first report from the project, **Shaping the digital future of FE and skills** included a series of recommendations to government, sector bodies and colleges in order to realise the potential of technology to benefit the FE and skills sector now and into the future. Building on this report, we launched our **FE and Skills strategy** in Autumn 2020 and have started new research on the **impact of digital exclusion on BAME learners**.

We've worked closely with our funders around their digital and data agendas and as part of a wider cross-sector collaboration looking at the whole issue of academic integrity.

We have continued to support our staff through the challenges of the pandemic. In line with government guidance, we began opening up our office space in Spring 2021 for those who wished to use it, with clear and thorough safety planning. We continued to hold a series of member events online, with positive feedback (see the Achievements section on page 7). With all the required protections in place, we were able to restart our Janet access programme, which had been on hold since the start of the pandemic.

Digital poverty

One of the many challenges that emerged as a result of the shift to online learning was lack of access to reliable connectivity and to the hardware and software necessary to access education. Learners struggled to cover the costs of the mobile phone data they needed to complete their coursework remotely, faced unreliable wifi, or had to face challenges to obtain suitable bandwidth for their needs.

Our efforts to raise the profile of digital poverty with news articles, blogs, engagement with sector partners and stakeholders helped to inform the Get help with Technology scheme for FE students, though it was clear that there remained a lack of support for HE students. Along with UUK, GuildHE and Ucisa, we called on government to do more to support HE students who continued to suffer hardship. As a result, we engaged with DfE to explore other solutions to tackle the issue of digital poverty, including asking all local authorities in England currently hosting govroam to also enable eduroam at no cost to themselves, allowing students the opportunity to use many more public spaces from which to access their education without incurring mobile charges. We're now exploring an opportunity to work with the Scottish Funding Council to replicate the roll out of eduroam across public spaces in Scotland.

As a result of the work we have been doing to raise awareness and find innovative solutions, Jisc has been invited to be a key partner to an All-Party Parliamentary Group looking at digital poverty issues.

National AI Centre

Through 2020-21, we've been exploring how we can help our members see the potential for artificial intelligence (AI) in education. AI has the potential to transform teaching and learning, by providing a personalised learning experience that improves, among many things, social mobility and student wellbeing through AI powered personalised learning. This allows every learner to choose the right education for their career pathway, reach their highest potential and acquire the skills required to thrive in a digital workplace.

A national, coordinated approach could accelerate this transformation by implementing the best AI solutions in colleges and universities. We've started developing a new centre for AI in tertiary education, supporting our members in the development of AI strategies, addressing legal and ethical considerations and helping to build the knowledge and capabilities that are needed now and in the future. We're developing partnerships with leading technology companies to deliver this and are working closely with other key organisations including the UK Government Office for Artificial Intelligence.

A series of **AI demos** have been created to help our members explore the possibilities for themselves.

Student services

The merger that we completed with HECSU in 2020 has enabled Jisc to expand its offer to include student-facing services. Our student services directorate are experts in meeting the needs of students and delivering three market-leading platforms - Prospects, Hedd and Luminate.

Prospects provides information and advice to students seeking to choose a course and career and reaches 2.5 million students and graduates every single month. We've been able to develop new content to support areas such as virtual applications, video interviews and assessment centres. As a result of requests from students, guidance to support mental wellbeing, confidence, motivation, resilience has been prioritised alongside careers and study advice.

Hedd verifies degree credentials, protecting our members' integrity and reputation. We've closed 85 websites selling degrees from fake UK universities and have provided evidence to support a bill currently being considered by Parliament to ban essay mills. In addition, colleagues from Student Services and Cyber Security are working together as part of a wider cross-sector collaboration with DfE, OfS, QAA, Student Unions, international partners and HE and FE providers looking at the whole issue of academic integrity.

Finally, through its graduate labour market platform, **Luminate**, Jisc has delivered timely, considered analysis and intelligence to members and stakeholders with up to 19,000 readers each month.

The value of each of these services is evident, demonstrating the benefits that were envisaged when the merger was approved have been delivered. We've still got some work to do to transform our systems to support us as one organisation but we're working hard to ensure we work as efficiently and effectively as we can while that work is ongoing. While the pandemic had an impact on the income generated through some areas of these services, this was recovered in year and income from these services together has exceeded expected revenue. New products and services are in development for 2021-22 to further enhance our offer through our student services.

Achievements

Some of our achievements through the year include:

Satisfy members and funders

- Net Promoter Score (NPS) at 41+ for FE and 25+ for HE, and customer satisfaction scores of 91% and 86% respectively. We'd like HE customer satisfaction to be higher and are working hard to ensure that we listen to colleagues in different roles throughout our member organisations and consider how we prioritise our resources against competing demands.
- Delivered 169 events online, with almost 14,000 delegates. Record attendances at Digifest, Networkshop and the Security conference with great delegate satisfaction scores, e.g., Data Matters in January had 100% delegate satisfaction.
- Maintained our core grant funding with funder relationships going from strength to strength as we increased interactions around their digital and data agendas, including:
  - acting as strategic partner in the Welsh Government's post-16 Covid-19 resilience plan
  - producing a **blended learning study** with the Higher Education Funding Council for Wales (HEFCW) and Universities Wales
  - helping to inform the Scottish Funding Council's (SFC) digital vision for the FE and HE sector
  - working with the Department for Education (DfE) in England to promote our offer to FE; and with the Office for Students (OfS) in the production of Gravity Assist a report on the shift toward digital teaching and learning in English FE since the start of the pandemic.
- Engaged with UK Research and Innovation (UKRI) and Research England on Open Access and developed dashboards which underpinned their recently launched **Knowledge Exchange Framework**.
- Together with the Association of Graduate Careers Advisory Services (AGCAS,) developed the **Graduate Employment and Skills Guide** launched by the DfE and OfS to support students graduating in a challenging labour market.
- Supported university and college leadership teams through the redesign and delivery of our successful Digital Leaders Programme and 'Vision for Change' workshops.
- Provided evidence to the Skills Commission Inquiry into the Future Workforce which was captured in the newly published report **Transition to Ambition: Navigating the Careers Maze,** examining the careers information, advice and guidance system in England, and how it supports transitions into employment.
- On behalf of the British Council's initiative, **The Digital University in Africa**, worked with partners and stakeholders in Sub-Saharan Africa to look at barriers and enablers to digital transformation in this part of the world.

Deliver world class core services and offer value added services

- Continued to deliver the critical programme to **upgrade and rearchitect access** to Janet across the UK – with three regions now complete.
- Acted as a trusted partner and critical friend to our members in the face of ever more complex and sophisticated cyber threats, including briefings and advice on how to improve defences:
  - adding **Cyber Essentials Plus** to our professional services offer
  - establishing a new **cyber security threat intelligence sharing system** to help research and education organisations across the globe prevent and mitigate cyberattacks
  - published joint guidance with QAA regarding **cyber security in relation to essay mills hacking university websites** putting students at risk.
- Our support for members against cyber threats is being challenged by the sheer volume and sophistication of incidents. We've redesigned our approach and some of our processes to meet demands and are working to attract and retain colleagues with the skills we need in a highly competitive market.
- Negotiated many more agreements, delivering an additional £7m of savings to our members on the costs of digital content to help them cope with the financial impact of the pandemic.
- Continued to support the transition to open access, negotiating agreements with journal publishers which will allow 60% of UK research to be made open access to the world on publication, an increase of 40% in two years.
- Initiated and completed the re-design of the OpenAthens database, enabling us to meet future customer requirements: achieved without any downtime for any customers from small libraries to the England NHS contract – all moved across seamlessly by the efforts of a very strong technical team.
- Supplied and installed three virtual classrooms in a new service to address the challenges of the remote student experience, including supporting **Weston College** – the first for FE in the UK.
- Increased students use of 'ebooks for FE' by over 50% in the space of one year.
- Partnered with Wiley, UK universities and the British Science Association (BSA) to create a new digital collection: the British Association for the Advancement of Science - Collections on the History of Science (1830s-1970s). Jisc members receive free access to the collection, and universities can put their own archives forward for digitisation as part of the initiative.
- Created, launched and delivered the HE Consultancy Service – from a standing start in October we have delivered around £400,000 revenue for the year.
- Supported the **National Skills Fund** launch with a reading list of learning resource content to support FE teaching practitioners and learners.
- Made great progress with the **OCRE cloud procurement framework** – with a total estimated contract value of £34.6m.
- Launched the **Employability toolkit** to help members with decision-making and planning for developing student employability.
- Made significant efforts to enable online education in China through pilot projects with commercial partners and a new **Global Education Access Framework** service providing members with cost effective and trusted access to connectivity globally.

Inspire with thought leadership

- Along with UKRI and Wellcome, we were among the first organisations supporting the establishment of a new body called Open Access Switchboard; intended to help the research community transition to full and immediate open access and simplify efforts to make open access the predominant model of publication of research.
- Awarded additional funding by Research England to support development of a new publishing platform for the scientific community to provide a new 'primary research record' for recording and appraising research 'as it happens', transforming research communication and culture.
- Listening to the voices of 27,069 students and learners, delivered our 2021 Digital experience insights survey for **FE** and **HE**.
- Helped guide our members to compliance with the new web accessibility regulations and creating a vibrant community where managers and practitioners can support each other on their journey towards realising a more accessible learning experience for all.
- Collaborated with partners on published reports, including:
  - the annual **What do graduates do report** offering insight into the graduate labour market
  - **The future of employer-university collaboration – a vision for 2030** (with Emerge Education)
  - **Student and staff wellbeing in higher education** (with Emerge Education)
  - **Rethinking assessment** (with Emerge Education)
  - **AI in tertiary education**.

Transform Jisc and provide financial leadership

- Maintained a focus on transforming Jisc for the benefit of our members and staff through delivering our values and culture programme with a focus on diversity and inclusion principles.
- Launched our finance transformation programme to improve the efficiency of our core processes, tighten our risk management, and provide better decision support to our business colleagues.
- Delivered £1.6m savings with improved procurement activity and £859k income from Framework agreements.
- Increased FE member sales of £2.8m against a target of £1.63m; with HE £6.25m against a target of £5.6m.
- Saw OpenAthens closing the year with £6.5m in sales, including £1m of new business sales from 278 new customers: with customers across 5 continents
- Received record enquiries on Hedd with £1.5m revenue (50% over budget) and £300,000 shared with member partners. £260k in new business wins from graduate recruiters and £100k additional income from student recruitment.
- Maintained our investment portfolio, which at year end is reporting a gain of £12.2m, against an unrealised loss of £2m in the previous financial year.
- Achieved sales to non-member customers of £8.9m against a target of £4.2m.
- Key large contracts negotiated and won, including NICE renewal (OpenAthens), Blue Light Card (VerifID) and Staffs NHS (Connectivity)

Strategy to 2022

Over the past year, we have continued to implement Jisc's strategy, with Education 4.0 and Research 4.0 as cornerstones. The changes in the delivery of learning, teaching and research experienced as a consequence of the COVID-19 pandemic reinforce the importance of what we are striving to achieve - to exceed the expectations of our members and funders by delivering outstanding service and products, developing new products that truly make a difference to members. We continually listen and invest to ensure that our services remain fit for members' future needs while remaining efficient and cost-effective.

Our investment in our services is informed by a robust product management framework and the development of new products is driven by our understanding of members' requirements and priorities and our sector strategies (in HE, FE, Research and Non-member). The potential merger with HESA will allow us to develop new data services for all our members.

Our thought leadership activities seek to stimulate transformative change in the sector's use of technology to improve teaching, learning and research. We're at the forefront of developing Artificial Intelligence (AI) services for education to enhance and transform the educational experience of every learner (see Activities and Achievements on page 4).

Satisfy members
Deliver a great member experience with a long-term aim of 95% satisfaction.

Satisfy funders
Grow our funders' confidence even further so our grants increase above inflation or, at a minimum, remain at current levels.

Deliver world-class core services
Provide the UK's HE, FE and research communities with best-in-class e-infrastructure, content and data services.

Offer value-added service
Develop vibrant new services that are co-designed and driven by the needs of members in HE, FE and research, and are distinct from the commercial market.

Inspire with thought leadership
Provide thought leadership that inspires members to transform.

Transform Jisc
Strive to be the best sector agency in the world with the right people, culture and processes – and to be one that constantly transforms in order to excel.

Provide financial leadership
Guarantee the financial wherewithal to realise our vision and achieve our strategy.

We continue to strive to be the best sector agency in the world and the guiding principles we launched this year have been a significant part of developing our culture and our continuous improvement as a social enterprise (see Activities and Achievements on page 4).

Our financial position needs to be strong to enable us to maintain the best quality service and deliver our product and thought leadership strategies, while ensuring our membership subscription is kept low. Our subscription levels for 2020-21 were held at 2019-20 levels to help our members given financial pressures on our members and subscriptions have been increased by inflation only in 2021-22. We continue to run ourselves efficiently, ensuring costs as a proportion of revenue grow less than inflation.

Stakeholder engagement and Companies Act section 172 statement

Engaging with Jisc's members and other key stakeholders (including our funders and other sector agencies) is fundamental to ensuring that their requirements are understood and the services and products required are delivered.

Our focus on delivering what our range of stakeholders need ensures that we continue to be a trusted partner in our sectors, helping to secure our long-term future as a sector agency. Our strategy (see page 10) explains the key tenets which we believe will secure our long-term future and our analysis of the key risks which may challenge our ability to deliver our strategy can be found in the Principal risks section on page 19. Our ongoing financial sustainability underpins our strategy, so we are able to continue to invest in the development and ongoing delivery of services that deliver the most value to our members and customers.

The pandemic has brought forward the digital transformation of learning, teaching and research. The board are working to ensure that the support that Jisc has delivered to members through the pandemic continues to be recognised and the benefits of online provision are not lost as students return to campus-based learning. We are working to ensure that we can support all our members, recognising that differing levels of digital skills and preparedness exist across our sectors.

We continue to work in support of our funders strategies such as the SFC digital vision for FE and HE as well as contributing expertise to support other government priorities such as giving evidence to the Skills Commission Inquiry into the Future Workforce and membership of an All Party Parliamentary Group on digital poverty. These engagements help to reinforce the role of Jisc as sector experts and a trusted partner. Further information about engagement with our funders is included in the Openness and accountability section of the Governance and management report from page 25.

Jisc uses a variety of mechanisms to ensure full engagement, including regional and audience specific events, partnerships with sector bodies as well as a formal account manager structure. We partner and engage with a range of individuals within our member organisations as necessary to share information or gather feedback.

In December 2020 we held a series of virtual stakeholder forums in each nation. These were designed to allow a more intimate, region specific focus to discussions amongst key stakeholders including members, funders and sector bodies and were well received. We will continually review the most effective approach to our stakeholder engagements, in discussion with our board, funders and guarantors. The satisfaction of members with our work is reflected in very strong satisfaction levels of 91% in FE and 86% in HE.

Details about our Corporate Social Responsibility strategy, which includes three strands of activity (business ethics, environment and community) can be found in the Organisational purpose section of the Governance and management report from page 25.

A number of policies exist that provide guidance to staff about expected behaviours and are supported by mandatory training on Anti-Bribery and Corruption, Fraud awareness, Whistleblowing and Modern Slavery awareness through Fuse, our online training platform. Jisc holds ISO9001 quality management system approval and seeks to maintain high standards of business conduct at all times, managing complaints promptly and ensuring all employees undertake mandatory training about our approach to quality, information security and customer complaints.

Trustees are expected to abide by the Nolan Principles of public life – selflessness, integrity, objectivity, accountability, openness, honesty and leadership. Trustees review each decision they make in good faith and to promote the success of the company for the benefit of its members as a whole.

The key issue that has been considered by the board through the reporting year relates to a potential merger with HESA. Discussions have been held at each board meeting through the year, with the board confirming the strategic imperative to merge and how this will support the delivery of our strategy and ensure Jisc's long-term success. The merger will bring significant benefits to our members with the importance of robust and tailored data in their decision-making. Opportunities to develop services for our FE members are central to considerations. Our plans have been shared with our funders and our Representative members, who support the proposed merger and will continue to be consulted.

The board have reviewed and considered the possible mechanisms for achieving a merger. The impact of the merger on various groups of stakeholders, including our funders, our members and employees of each organisation has been a key part of the board considerations.

A decision to merge will be made only once the benefits and risks of a mechanism to achieve a merger are clear and the board are comfortable that a decision to proceed is in the best interests of the organisation as a whole. A full communications plan will be developed to ensure that key stakeholder groups received appropriate and timely information.

Our Data Analytics activity, significantly driven forward by the transfer of HESA Enterprise staff into Jisc in 2019, allows much greater interrogation of data gathered from the sector as part of HESA's statutory data function funded by OfS and other funders. A full merger with HESA will consolidate these benefits.

We have completed two other mergers – with Eduserv in 2019 and with HECSU in 2020 and lessons from those mergers are being applied to consideration of a merger with HESA. Combining organisations has brought efficiencies in back office functions and bringing together colleagues into shared accommodation has reduced the carbon impact of the combined organisation.

A regular engagement survey is carried out with staff to temperature check the interests of employees and identify any areas that may require further focus. Any bonus and commission payments for Jisc staff take account of the medium to long term rather than focusing on solely on short term benefits.

Charitable purpose and public benefit

As a charity, our purposes must be exclusively charitable[1]. Our charitable objectives are the advancement of education, lifelong learning and research for the public benefit through the provision of services to those within higher education, further education, research communities and charitable and not for profit organisations. How we do this is explained through this report. In everything they do, our trustees are aware of the public benefit requirements of our charitable status.

[1] A charitable purpose is a purpose which comes within the descriptions listed in the Charities Act 2011 and which is for the public benefit.

Financial performance and strategy

This report and the accompanying financial statements have been prepared in accordance with Financial Reporting Standard 102 (FRS 102) and the Charities SORP.

	Unrestricted funds 2021 £'000	**Restricted Funds 2021 £'000**	**Total Funds 2021 £'000**	Total funds 2020 £'000
Donations and grants	48,090	22,938	**71,028**	67,782
Fair value of acquired net assets	-	-	**-**	7,288
Income from charitable activities	105,681	229	**105,910**	91,936
Income from other trading activities	18,449	145	**18,594**	16,942
Investment income	217	-	**217**	400
Income	**172,437**	**23,312**	**195,749**	**184,348**
Charitable activities	174,054	17,455	**191,509**	177,448
Other trading activities	5,906	-	**5,906**	4,224
Grants	72	2	**74**	258
Other (gains)/losses	(69)	-	**(69)**	400
Expenditure	**179,963**	**17,457**	**197,420**	**182,330**
Net (expenditure)/income before movement in pension provision	**(7,526)**	**5,855**	**(1,671)**	**2,018**
Movement in pension provision	21	-	21	7,785
Net (expenditure)/income	(7,505)	5,855	(1,650)	9,803
Transfers between funds	5,562	(5,562)	-	-
Other unrealised gains/(losses)	12,386	-	12,386	(1,988)
Exceptional items	20,929	-	20,929	
Net movement in funds for the year	**31,372**	**293**	**31,665**	**7,815**

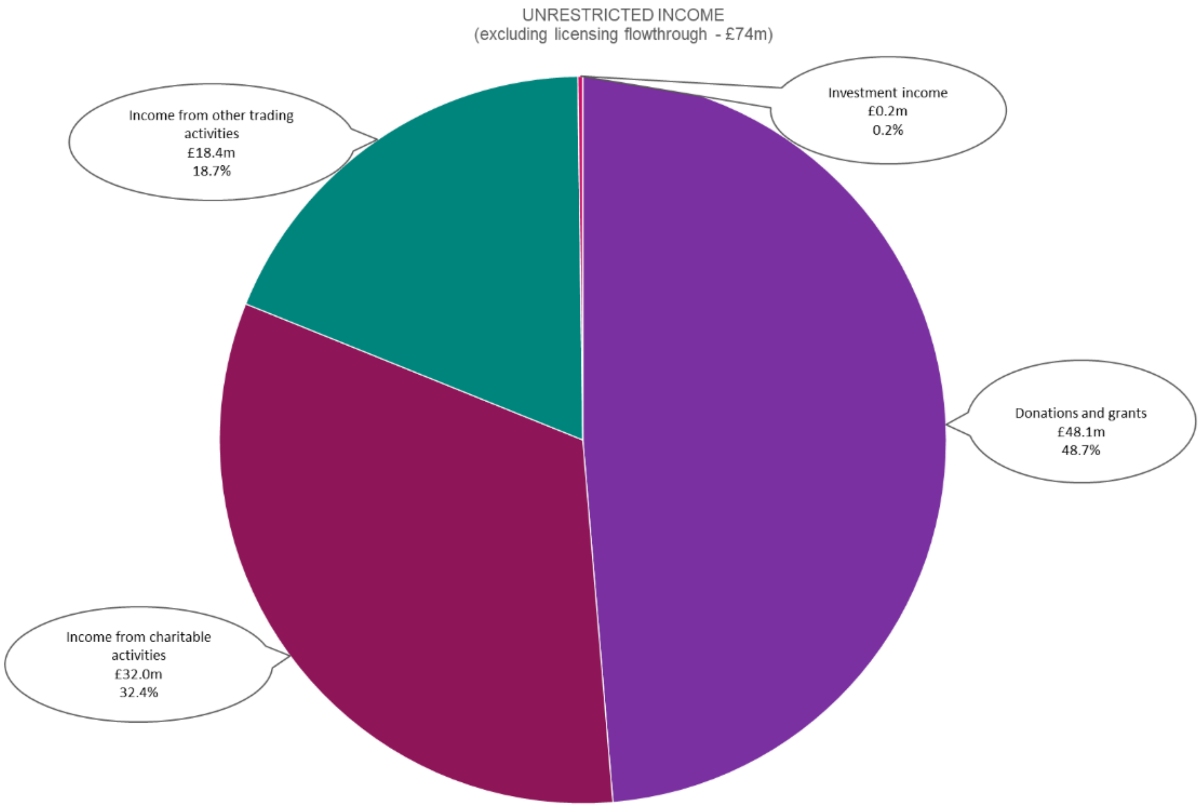
	2021 £'000	2020 £'000
Fixed assets	**96,572**	90,286
Current assets	115,311	88,147
Creditors falling due in less than one year	(76,444)	(73,302)
Provisions for liabilities	(2,390)	(2,047)
Net current assets	**36,477**	12,798
Provisions for liabilities falling due in more than one year	(12,186)	(13,886)
Total net assets	**120,863**	89,198
Restricted reserves	**12,559**	12,266
Unrestricted reserves	**108,304**	76,932
	120,863	89,198
Cash & cash equivalents	**33,968**	36,206

Consolidated Income and Expenditure

Total income for the year has increased by 6.5% from £184m in 2020 to £197m in 2021, with the majority of the increase (£13m) being due to increased flowthrough activity as members make more use of the agreements negotiated through Jisc Collections and Chest.

This year's income also includes 12 months of income from Student Services activity (HECSU and Graduate Prospects before the merger in May 2020), compared with three months in the year to 31 July 2020.

Excluding Jisc Collections and Chest income streams, unrestricted grants now account for just under 50% of our income.



Total donations and grant income consist of restricted and unrestricted funding from the higher and further education funding bodies across the United Kingdom. Other than a reduction of £0.8m from the Office for Students (OfS), core funding remained the same as in the previous year (there has been a reclassification of £1.0m of Department for Education (DfE) income for connectivity in schools which was previously shown in Income from Charitable Activities).

Additional grants have been received for specific projects including Data Futures (OfS), Open Access (Research England), HE dashboards (Higher Education Funding Council for Wales and digital and Covid projects (Welsh government).

Income from charitable activities is from providing additional resilient connections into our members and customers and the licensing income (which is matched against spend with publishers other than a small transaction fee).

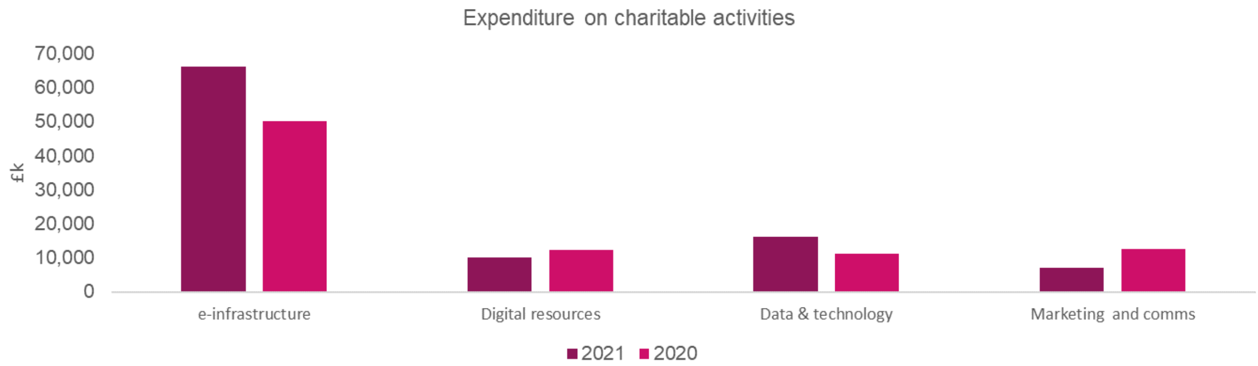
We continue to provide value to our members by negotiating an increasing number of agreements for both publications and software and, as members staff and students remained offsite during the pandemic, we have worked with suppliers to deliver even greater value as online content becomes more important and we have seen a like for like increase of £15m from last year's £61m of spend.

Trading activity includes subscriptions from members and customers, consultancy and rental income. It also includes income from HEDD which is the UK's official degree verification service and advertising of graduate recruitment schemes and university courses through the Graduate Prospects website – both of these services came into Jisc as part of the merger with HECSU in May 2020.

Expenditure for the year, excluding the movement in the pension's provision, was £197.4m - an increase of 8.3% from 2020 (£182.3m). Excluding licensing flowthrough spend (£75.7m and £60.6m respectively), that would be an increase of £1.3m (1.1%).

Net of licensing flowthrough, unrestricted spend increased by £14.0m whilst restricted spend has reduced by £2.3m. This reduction is due to timing of delivery of equipment around the year end – in 2019-20 it was delivered earlier than expected which led to a slight increase in spend. This year, due to the worldwide shortage of semiconductor chips, we have experienced a significant delay in deliveries, which has had an impact on the timing and the ability to deliver projects, including the Janet Access Programme, and therefore spend of the restricted reserve as planned.

Of the increase in unrestricted spend on charitable activity excluding licensing costs (£13m including pension movements), the majority has been within e-infrastructure and data and analytics (which includes spend on developers working on services and products delivered by Jisc to members and customers) and despite the increase in activity within digital resources, spend in that area has remained fairly constant.



Staff salary costs (i.e. excluding pension and social security costs) have increased from £36.6m to £38.9m as the average number of staff has increased from 779 to 862 with the full year impact of previous mergers. Spend on temporary staff (mainly contractors) has increased from £0.5m to £1.0m, with a number of roles being difficult to fill with permanent staff, particularly where the market is driven by a culture of contracting. The introduction of stricter restrictions on types of contracts (IR35 rules) has meant that a number of people who have worked for Jisc over a long period of time are now moving onto fixed term staff roles in order to comply with the legislation.

In compliance with the Charities SORP, a transfer between restricted and unrestricted funds to account for assets purchased in year using those funds has been shown separately in the Statement of Financial Activities (page 51). This amounts to £5.6m (2020: £6.0m).

Following a devaluing of financial markets during the first part of the pandemic, the portfolio has recovered strongly and its value has increased by £12.2m. The portfolio is held for the longer term, and there are no current plans to liquidate any investments and therefore all of these gains are unrealised.

The exceptional item is an expected refund of VAT paid in previous years. In 2018, a claim was submitted to HMRC which centred around whether VAT could be recovered on the provision of the Janet network. Prior to this, it was understood that input VAT could not be recovered on the basis that the activity was outside the scope of VAT. HMRC have now agreed, in principle, that VAT is recoverable to the extent that costs related to members or customers in the HE or commercial sector (FE members did not pay subscriptions until 2019-20) and VAT claims from 2012-13 onwards have now been resubmitted.

HMRC has agreed the claims for the first two years (2012-13 and 2013-14) and £7.8m was received in August 2021. The expected refund for all years under review (2012 – 2021) has been recognised (net of fees payable to external advisors) as the basis of the claim is agreed.

This is a significant sum of money and we are looking to invest in areas which we believe will bring most benefit to members and align to our funders' priorities. To date, we have approved the funding of the National Centre for Artificial Intelligence, support for Student Minds and the development of a digital elevation modelling tool for FE colleges. Cyber support for all our members is at the forefront of our plans and we are actively working to provide additional protection and monitoring capability across the whole of JANET. The open access agenda and the wider collaboration and collation of research data, papers and equipment will also be an area of focus.

The surplus on unrestricted activities after the exceptional item and transfer between reserves is £31.4m (2020: £10.8m) and there is a small surplus of £0.3m on restricted (2020: £3.0m deficit).

Balance Sheet

Intangible assets have reduced from £10.2m to £8.6m due to the amortisation of both the digital assets and the customer contacts (acquired as part of the merger with HECSU in 2019-20) which are held in this category. Both are written off over ten years.

Tangible fixed assets have decreased by £4.4m, with additions of £6.0m being offset by disposals of £2.5m (including the sale of a data centre in Swindon) and net depreciation of £9.4m. The majority of additions, as expected, relate to the network as the Janet Access Programme is rolled out.

The majority of the investments are held within publicly traded funds and the unrealised gain of £12.2m (as noted above) is responsible for the majority of the increase in value from £56.4m to £68.7m. The group also holds equity in a number of EdTech start-up companies as well as investing in the Emerge Education fund –1.2% of the total invested is in EdTech.

Whilst total debtors have increased by £29.4m, trade debtors have by £5.4m, much of which is due to the increase in flowthrough income in digital resources (which is then paid directly to publishers). The increase in other taxation and social security debtors relates mainly to the VAT repayment discussed above. Creditors (less than one year) have increased from £73.3m to £76.4m.

The pension provision is calculated under the 2018 valuation as the 2020 revaluation of the Universities Superannuation Scheme (USS) was not finalised by the end of the financial year. However, the 2020 valuation has been filed with the Pensions Regulator with an effective date of 1 October 2020 (see note 34 for further detail) and this will have a significant impact on the balance sheet next year. The valuation has a dual schedule of contribution, with different deficit recovery contributions (which drives the calculation of the balance sheet contribution) depending on which leg is eventually in place.

- leg 1 includes a small increase in contribution rates from the 2018 Valuation and a longer deficit recovery period as a result of the decision to proceed with benefit change by the Joint Negotiating Committee (JNC) subject to member consultation
- leg 2 includes more significant increases in contribution rates from the 2018 Valuation and shorter deficit recovery period, which only becomes applicable if the JNC recommended deed on benefit changes has not been executed by 28 February 2022.

If benefit changes are agreed (leg 1), then the impact on the pension is an increase from £13.9m to £40.0m, if benefit changes are not agreed (leg 2), then the provision increases to £63.9m. Whilst this is a significant increase, Jisc would still have positive unrestricted reserves available.

Jisc has total funds of £120.9m (2020: £89.2m), investments of £68.7m (2020: £56.4m) and cash balances of £34.0m at 31 July 2021 (2020: £36.2m).

The funds of £120.9m comprise £108.3m of unrestricted funds (2020: £76.9m) and £12.6m of restricted funds (2020: £12.3m). Of the unrestricted funds, £18.4m (2020: £23.4m) relates to grant funded assets within designated funds. The remaining £89.3m (2020: £52.9m) can be deemed as general unrestricted funds.

Restricted Funds

Jisc has consolidated restricted funds of £12.6m (2020: £12.3m). These funds, which are subject to special terms specified by the grantors can only be used for the purpose to which they are given, and, despite the small underspend in 2020-21, the Trustees fully intend to utilise these funds over the next two years as part of the long term financial plan approved by the board. They do not form part of Jisc's reserves available for day to day use. Jisc sets aside cash to cover these funds. A full breakdown is provided in note 22 (page 76).

Unrestricted funds

The starting point for assessing the amount of reserves held by any charity, including Jisc, is normally the amount of unrestricted funds it holds. Jisc's policy for the designation for unrestricted funds is that they are comprised as follows:

Tangible assets: the Charities SORP specifically allows funds held against grant-funded tangible fixed assets for charity use to be excluded from general unrestricted reserves. This recognises that certain assets will be used operationally, and their disposal may adversely impact on a charity's ability to deliver its aims. At 31 July 2021 these amounted to £18.4m (2020: £23.4m).

Designated funds: where unrestricted funds are earmarked or designated for essential future spending, for example, to fund a project that could not be met from future income alone they can be excluded from general unrestricted reserves. For Jisc on a consolidated basis, at 31 July 2021, these elements amounted to £0.6m (2020: £0.6m) in respect of restructuring funds.

To cover short-term self-funding in the event that normal funding receipts were delayed, our policy is to have 4 months cover of our normal operating costs. At 31 July 2021, the balance of our general unrestricted reserves was £89.3m (2020: £52.9m) which equates to 10 months (2020: 4 months) of our normal operating costs. The adjustment for 2020 valuation for USS will reduce the unrestricted reserve by £26.1m, down to £63.2m leg 1) or by £50.3m to £39m (leg 2) which would equate to 4 months of normal operating costs.

Unrestricted "free" reserves are higher than previously held as a result of the unrealised increase in the investment portfolio and the VAT refund which has been accounted for. The impact of delays in supplier chain, which have resulted in projects being delayed, is expected to unwind in 2021-22 and we are expecting spend on existing projects in the coming year as they are delivered. There is also inherent uncertainty in our income streams, including the detailed outcome of the government's comprehensive spending review, and the sector is facing inflationary cost pressures which have not been seen in recent years. In view of these risks, and the potential final adjustment for the 2020 USS valuation, the Trustees consider the level of reserves to be satisfactory.

Cash

The Group's cash position for 31 July 2021 was £34.0m (2020: £36.2m), excluding restricted funds. The balance of the cash reserves is held in managed funds, as summarised in note 26.

2021-22 budget and financial forecast

An annual budget and three-year financial forecast has been prepared and approved by the Board.

The budget for 2021-22 took account of the current economic climate and the pressures which the Covid crisis continued to place upon our members and customers. Grant funding was the same as previous years and we have charged a small inflationary increase on member subscriptions.

The three year plan has built-in efficiencies and savings which will be needed to deliver ongoing surpluses, and we have budgeted for a breakeven position for 2021-22. The plan does not take account of the significant VAT refund we have accounted for in these financial statements as HMRC had not made a decision at the time the budget was completed, nor does it take into account spend on projects which have been delayed in 2020-21 due to disruption in the supply chain.

As noted in previous years, management and the Trustees have agreed a plan to spend the restricted reserve over the next two years and deliver value to the sector by upgrading services and products.

Going Concern

On 11 March 2020, COVID-19 was declared a pandemic by the World Health Organisation and more than a year later the pandemic continues to have an impact on Jisc and its members and customers. Jisc has continued to operate throughout this period and support its members as well as rolling out new services and continuing with the Janet Access Programme. The financial position remains strong, with funding and other income streams being constant and reserves having improved over the last two years.

Due to the nature of much of our business, high value costs often flow through to members and customers with low margins for Jisc (specifically in our Jisc Collections and Connections business areas) and other costs have been well controlled.

Management have undertaken a review of the business, including a three-year financial forecast, looking at a number of scenarios, including a significant reduction in income (from both members and funders), higher than inflationary increases in costs and expected savings not being delivered, to assess Jisc's ability to continue as a going concern. Given the strong balance sheet and healthy reserves position which Jisc has, even after the increase in the pension provision, management believe that Jisc is financially sustainable over the next three years and after that.

Overall, COVID-19 is not expected to have a significant impact on Jisc or its subsidiaries. Management has determined that there is no material uncertainty that casts doubt on Jisc's financial sustainability.

Principal risks and uncertainties

A Strategy Assurance Framework is in place, which maps risk areas against our strategy, identifies early warning indicators as well as success indicators. The key risks to the successful delivery of our strategy can be summarised as follows:

Area of strategy	Risk area	Key mitigations
Financial sustainability Exceed funder expectations	Financial impact of pandemic on members and funders impacting income, including as a result of the 2021 Spending Review Failure to retain 100% member subscriptions, subscriptions not viewed as best value for money by members and funders Balance of surplus-generating products with free or at-cost services unsustainable	Continue to develop services to support our financial sustainability Continue to grow the contribution from sales of services to non-member customer Continue to demonstrate our value to funders Continue to drive efficiencies and control costs across the business Ensure a robust product management approach is in place
Exceed member expectations Deliver outstanding core products and services Develop new value-added services	Failure to deliver consistent high-quality member and customer service with quick resolution of issues High satisfaction with products and services not maintained Member demand for new products and services not met Inability to deliver the cybersecurity our members need to address increasing attacks Failure to deliver the progress in meeting our NetZero targets that our members expect	Ensure we have ongoing meaningful conversations with members, act on what we hear and share learning to support members in the post-Covid environment Ensure each product line has a vibrant development pipeline Continue our approach to ensure a range of innovative ideas are developed at an appropriate pace Redesign our processes and approach to enhance our cybersecurity offer; ensure staff expertise is secured and retained Create a NetZero implementation plan for all current services and ensure new services are designed to minimise carbon emissions

Area of strategy	Risk area	Key mitigations
Thought leadership	Consideration of Jisc as the driver of technology in HE/FE not fulfilled Consolidation of increased recognition as a result of Covid-19 response not maintained	Build on the impact made through the Learning and Teaching Reimagined and FE Digital Strategy activity by informing sector/nation strategies in key areas Continue our programmes of work and ensure appropriate communications and marketing to support our thought leadership Continue working in partnership with members, sector agencies and other key organisations to drive forward thought leadership
Transforming Jisc	Systems and processes not working effectively to bring required efficiencies Cultural differences apparent across the organisation Actions taken to lower our carbon emissions do not deliver the reductions sought	System improvements subject to robust testing and managed roll-out Launch of guiding principles to engage all staff in cultural framework Launch of leadership programme to upskill and develop future leaders Identify, prioritise and deliver clear actions to reduce carbon emissions across operations

Trustees' report

The trustees present their report and audited consolidated financial statements for the year ended 31 July 2021.

Legal and administrative information

Registered and principal office address

4 Portwall Lane
Bristol
BS1 6NB

Company registration number: 05747339
Charity registration number: 1149740
Registered in England and Wales
Company secretary: Alice Colban

Independent auditors
Grant Thornton UK LLP
1 Holly Street
Sheffield
South Yorkshire
S1 2GT

Bankers

HSBC
186 Broadway
Didcot
OX11 8RP

Lloyds Bank plc
Threadneedle Street
London
EC2R 8AU

Solicitors

DAC Beachcroft
25 Walbrook
London
EC4N 8AF

Veale Wasborough Vizards
Narrow Quay House
Narrow Quay
Bristol
BS1 4QA

Jisc is a company limited by guarantee and a charity registered in England and Wales[2]. We operate under bespoke **Articles of Association**.

[2] An application to register as a charity in Scotland is on hold until all potential mergers are complete

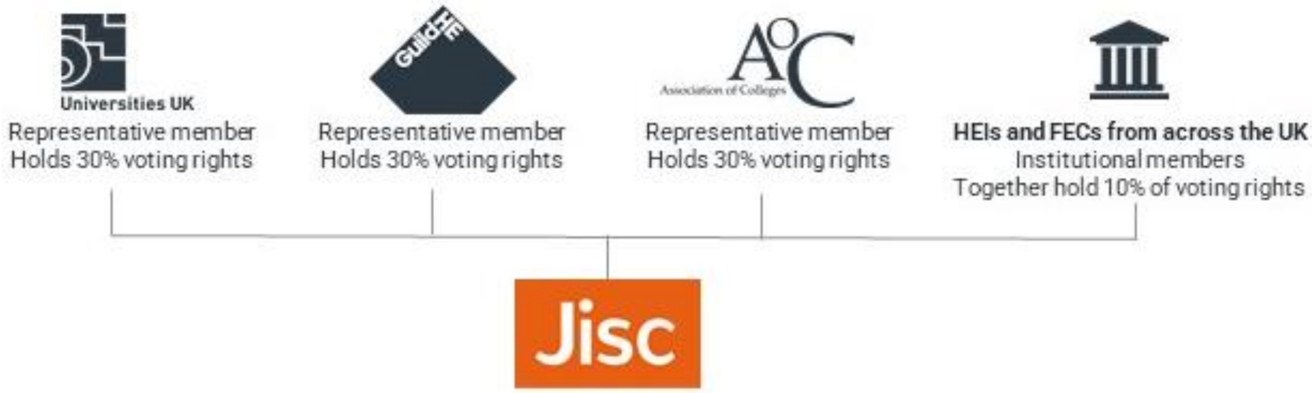
Executive Leadership Team

The following members of the Executive Leadership Team are responsible for managing the day to day activities of the charity:

Name	Role
Dr Paul Feldman (until 15 September 2021)	Chief executive officer
Heidi Fraser-Krauss (from 16 September 2021)	Chief executive officer
Nicola Arnold	Chief financial officer
Jonathan Baldwin (until 17 September 2021)	Interim Managing Director, higher education
Mike Brooksbank (until 31 December 2020)	Executive director, trust and identity
Alice Colban	Deputy chief executive and chief operating officer (company secretary)
Jayne Davies	Managing director, customer and sales enablement
Liam Earney	Executive director, digital resources
Karen Foster	Executive director, data
Robin Ghurbhurun	Managing director, further education and skills
Robert Haymon-Collins (until 6 November 2020)	Executive director, marketing and communications
Steve Kennett	Executive director, e-infrastructure
Steve Masters	Chief technology officer
Jayne Rowley	Executive director, student services
Andrew Wood	Chief of staff

Membership

Our Articles of Association allows for two classes of membership: Representative and Institutional



VAT- exempt Cost Sharing Group (CSG)

With Jisc institutional membership comes automatic membership of the VAT-exempt Cost Sharing Group (CSG), which means that members will not pay VAT on a range of optional services that Jisc provides. In order to become and remain a member of the CSG, an organisation must meet a small number of **membership conditions**.

At 31 July 2021, there were 152 HE members and 112 FE, Sixth Form or Specialist college members in the UK[3], along with our Representative Members. A full **Register of Members** is available on our website.

We are reviewing how we use the CSG in future in line with HMRC guidance.

Role of members

Institutional Members are represented by the most appropriate Representative Member (AoC, GuildHE or UUK) to act on their behalf in governance matters of Jisc. Institutional Members are free to choose to represent themselves, though none have elected to do so. Jisc's Representative Members therefore also act in the interests of their nominating members.

The liability of each member (both Institutional and Representative) is limited to a maximum of £1. This liability will apply for the duration of membership of the charity and for one year beyond the end of membership.

Jisc's members have the rights afforded to them by the Companies Act 2006. Each Representative Member is the same class of member, each having one vote on resolutions proposed to members. Representative Members also have one vote on behalf of all the Institutional Members they represent. Further information on the types of decision that can be proposed to members and the thresholds to pass resolutions is included in our Articles of Association.

Group structure

Jisc is the parent company of the Jisc Group. Jisc Services Limited (JSL) and Jisc Commercial Limited (JCL) are active wholly owned subsidiary companies in the group. A number of other subsidiary companies which joined the group as a result of mergers, or have reached the end of their useful life, are in the process of being closed.[4]

The board have agreed to proceed with incorporating a new subsidiary company to act as the treasury company for the group and simplify our invoicing and payment processes for our members, funders and suppliers. This will be taken forward at an appropriate time when we can be certain that we can deliver the benefits envisaged.

All Jisc Group companies are registered in England and Wales and operate under bespoke Articles of Association. Each company prepares its own Annual Report and Financial Statements. We also hold equity shares in other companies. Further information can be found in note 17 – Investments (page 70).

[3] Compared to 114 FE, Sixth Form or Specialist college members in 2019-20. The reduction in members is due to college mergers.

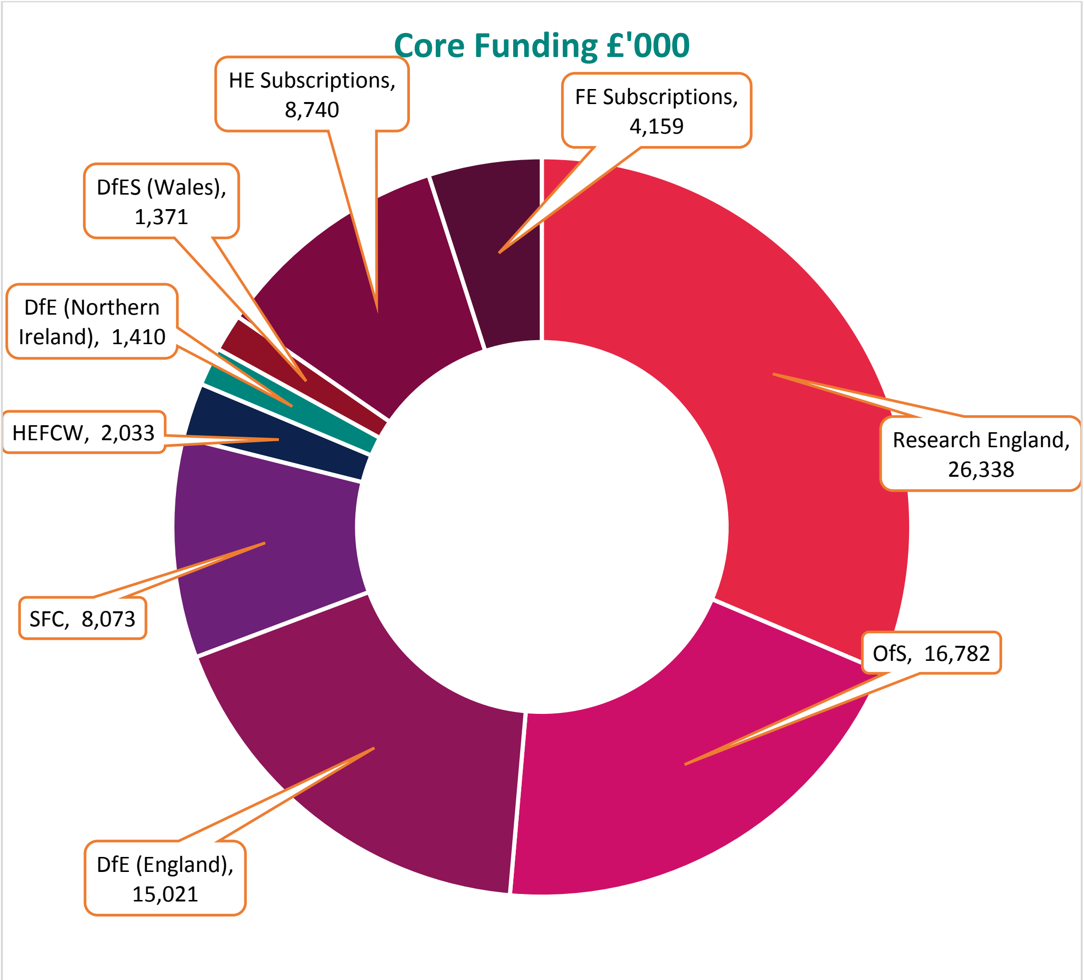
[4] These are Eduserv, Eduserv Commercial Limited, HECSU, Graduate Prospects Limited and Jisc Liberate Managed Services Limited

Funding model

We receive core funding from the funding bodies responsible for HE and FE across the UK. These are:

- **Research England**
- **Office for Students** (OfS)
- **Department for Education (England)** (DfE)
- **Scottish Further and Higher Education Funding Council** (SFC)
- **Higher Education Funding Council for Wales** (HEFCW)
- **Department for the Economy (Northern Ireland)** (DfE Northern Ireland)
- **Department for Education and Skills, Wales** (DfES)

A subscription fee is also paid by HE institutions across the UK and by FE colleges in England. The chart below shows the different elements of our core funding in 2020-21:



Governance and management

Trustees

The trustees of the charity who were in office during the year and up to the date of signing the financial statements were:

Trustee name	Role	
Professor David Maguire (chair until 20 May 2021)	Interim principal and vice chancellor, University of Dundee	Appointed by AoC, GuildHE and UUK
Professor Paul Boyle (from 13 January 2021; chair from 21 May 2021)	Vice chancellor, Swansea University	Appointed by AoC, GuildHE and UUK
Dr David Ashton (from 18 January 2021)	Deputy principal, Royal Holloway University of London	Nominated by Jisc's core funders
Professor Elizabeth Barnes CBE	Vice chancellor and chief executive, Staffordshire University	Nominated by UUK
Susan Bowen	President, Aptum Technologies (UK) Limited	
Joanna Campbell (from 6 January 2021)	Principal and chief executive, Dumfries and Galloway College	
Dr Paul Feldman (until 15 September 2021)	Chief executive, Jisc	
Professor Anthony Forster (from 2 November 2020)	Vice chancellor, University of Essex	
Heidi Fraser-Krauss (from 16 September 2021)	Chief executive, Jisc	
Debra Gray	Principal, Grimsby Institute of Further and Higher Education	Nominated by AoC
Robert McWilliam	Chief financial officer, ASDA (until 31 July 2021)	
Dr David Pilsbury (from 3 August 2020)	Deputy vice chancellor (international development), Coventry University (until July 2021)	
Professor Mark E Smith CBE	Vice chancellor, University of Southampton	
Dr Ken Thomson OBE (until 8 December 2020)	Principal and chief executive, Forth Valley College	
Professor Anne Trefethen (deputy chair)	Pro vice chancellor for people & gardens, libraries and museums, University of Oxford	
Ashley Wheaton	Principal, University College of Estate Management	Nominated by GuildHE

Charity Governance Code

This report explains our approach to governance in line with the principles and recommended practice in the Charity Governance Code ("Code") and takes into account changes to the Code following the 2020 review.

Organisational purpose

The board has a rolling three-year strategy which is reviewed annually. The board has held a number of discussions across the year focusing on strategic direction including the rationale and potential for merging with HESA (see the Activities and Achievements section on page 4 for further information). A statement on the section 172 responsibilities of trustees of a charitable company (in accordance with the requirements of the Companies Act 2006) can be found in the Stakeholder engagement section of this report on page 11. All decisions made by the board are in the context of meeting the needs of our members. We track member satisfaction in a number of ways, including surveys of leaders in HE and FE which are conducted annually. The results of the latest survey are reported in the Achievements section on page 7.

The board are aware of the risk factors associated with Jisc's income streams. One of our strategic priorities is to ensure we continue to have a strong and stable financial performance and a number of targets are in place to help achieve this, such as diversification of income streams. Risks associated with income streams, including as a result of the Covid-19 pandemic, are reflected in the Principal risks section on page 19.

Jisc recognises its broader responsibilities towards communities, stakeholders, society and the environment. Our Corporate Social Responsibility (CSR) strategy was launched to the organisation in 2021. The strategy has three strands – business ethics, environment and community.

Business ethics includes our work around modern slavery and the steps we are taking to improve visibility and ethical standards in our supply chain. We have registered with the Government's modern slavery statement registry and published our 2020-21 modern slavery statement to demonstrate our commitment before this becomes mandatory.

A strategic target has been agreed for 2021-22 to move towards NetZero by 2040, ten years ahead of the government target. We are working with experts to establish a baseline of carbon emissions and will be seeking to meet our NetZero ambitions ahead of our own target. We have an Environmental policy in place which outlines commitment to continually improving our environmental performance and minimising the environmental impact of our corporate activities. We are also looking at bringing climate-related risks into our risk framework.

Our community focus is around developing our plans for organisation-wide fundraising and group volunteering efforts which will be rolled out during 2021-22.

Our CSR statement is agreed by the board each year which describes the work of the organisation across each area of our CSR strategy. Our 2021 **CSR statement** is available on our website.

Leadership

The board take collective responsibility for decisions. The chair provides leadership and ensures that Jisc's strategy and priorities are clear. The board agreed the Guiding principles that were rolled out to the organisation in late 2020 (see Internal organisation on page 39) as key drivers of how the organisation should operate.

The roles of the board, chair and deputy chair are clearly defined. A new chair was sought through an open and competitive recruitment process held in late 2020. Our new chair joined the board from 1 January 2021 and assumed the role of chair from late May 2021. A full induction process for the new chair was planned and delivered, with follow-up sessions continuing through 2021-22 as required.

Jisc has a number of subsidiary companies, each with their own bespoke Articles of Association. The relationship between Jisc and each subsidiary is governed by a Management and Supervision Agreement (which includes a list of matters reserved for the Jisc board) and an Intra-Group Operating

Agreement (which describes the services that Jisc provides to the subsidiary and vice-versa). An annual business plan and budget for each subsidiary is prepared and agreed by the Jisc board and regular progress reports are provided to the board. Each of the board's committees (Audit and Risk Management, Finance and Treasury, Nominations and Governance, Remuneration) operate across all companies in the Jisc Group.

The board recognises and respects differing views amongst trustees and constructive challenge is welcomed by senior leaders. A supportive relationship exists between the board and senior leaders based on openness and trust. This is evident from the results of the annual board effectiveness review which reflects positive views of trustees and senior leaders about the relationship.

A subset of trustees, including the new chair, were closely involved in the recruitment and appointment of Heidi Fraser-Krauss as Jisc's new chief executive officer from 16 September 2021. The board also participate in the appointment process for executive leadership team appointments where required. Proper arrangements are in place in the organisation for the management of senior leaders. Performance reviews of the chief executive and Executive Leadership Team including any resulting pay awards are overseen by the Remuneration committee.

The time commitment expected of trustees is detailed during the recruitment process and in the appointment documentation. Additional time commitments as a result of involvement in committees or other activities are outlined when these roles are appointed. Attendance of trustees and committee members at meetings is recorded and the statistics reported to the Nominations and Governance committee for review annually. Five board meetings were held in the reporting year. Attendance of trustees at board meetings is as follows:

Trustee name	Eligibility to attend	Actual attendance
Professor David Maguire	4	4
Professor Paul Boyle	3	3
Professor Liz Barnes CBE	5	5
Dr David Ashton	3	3
Susan Bowen	5	4
Joanna Campbell	3	3
Dr Paul Feldman	5	5
Professor Anthony Forster	4	4
Debra Gray	5	5
Robert McWilliam	5	4
Dr David Pilsbury	5	5
Professor Mark E Smith CBE	5	5
Dr Ken Thomson OBE	2	2
Professor Anne Trefethen	5	5
Ashley Wheaton	5	5

Integrity

Trustees are expected to abide by the Nolan Principles of public life – selflessness, integrity, objectivity, accountability, openness, honesty and leadership. A programme of staff engagement activities to address organisational culture and define our Guiding principles was held through 2020-21. More information is available in the Internal organisation section of this report from page 39.

Along with our Guiding principles, a number of policies exist that provide guidance to staff about expected behaviours, including Conflict of Interest, Gifts and Hospitality, Anti-Bribery and Corruption, Anti-Fraud and Whistleblowing. All staff must complete Anti-Bribery and Corruption, Fraud awareness, Whistleblowing and Modern Slavery awareness training through Fuse, our online training platform.

While guidance and expectations of behaviour are well articulated through the range of documents described above, these will be drawn together into a Code of Conduct during 2021-22.

A register of interests is maintained for trustees and updated when new trustees are appointed and as changes are reported. A full review is undertaken annually. The declaration of interests is a standing item at the beginning of each board meeting.

The nature of Jisc's business, and its relationship with UK higher education institutions and further education colleges through institutional membership and the delivery of services, means that Jisc does have a relationship with the employing organisations of several trustees. However, this is reflective of the membership structure of the organisation and the purposeful approach to ensuring Jisc's activities are guided by the customers we exist to serve and does not affect the independence of trustees. In discharging their responsibilities, trustees must act solely in the interests of the charitable company - they are not the delegates or representatives of any nominating body. Our trustees, with the exception of our chief executive, are all considered to be independent non-executive directors.

We are committed to preventing and mitigating exploitation, bribery and corruption. We will not accept modern slavery, forced labour and human trafficking anywhere within our operations or supply chain. Our commitment is evident from the inclusion of modern slavery issues in our CSR strategy (see Organisational purpose in the Governance and Management section from page 25), as well as the publication of our Modern Slavery policy and our annual **Modern Slavery statement** on our website.

Our Safeguarding policy reflects the steps that we take as an organisation to ensure a safe working environment for staff and sharing clear guidance on how to raise any concerns.

Our commitments to operating ethically with regard to the environment are discussed further in the Organisational purpose in the Governance and Management section from page 25.

Decision-making, risk and control

The **role of the board** can be found on our website. We have four standing committees (Audit and Risk Management; Finance and Treasury; Nominations and Governance; Remuneration), each of which operates across the Jisc Group. Our Articles of Association define areas of responsibility that cannot be delegated by the board to a committee. Each committee operates under terms of reference agreed by the board and which are reviewed annually. The **terms of reference and committee memberships** can be found on the Jisc website. Each committee is chaired by a trustee with at least one further trustee as a member of each committee. The appointment of committee chairs and members falls under the auspices of the Nominations and Governance committee. Each committee reports to the board regularly. Attendance at meetings by committee members is recorded and reviewed by the Nominations and Governance committee annually.

The board consider key documents such as the risk appetite, financial Scheme of Delegation, Reserves policy and Treasury policy regularly following detailed discussion by the appropriate committee. A

Governance Scheme of delegation is in place and reviewed annually to ensure clarity of decision-making across the governance structure.

The board is ultimately responsible for the charitable company's system of internal control and for reviewing its effectiveness. Our internal control system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance of effectiveness. Internal control processes include:

- a Jisc strategy, approved by the board;
- a set of strategic targets underpinned by a Group-wide operating plan;
- a risk appetite statement approved by the board;
- an annual budget approved by the board;
- consideration of the financial results of the group by the board including variance from budgets;
- delegation of authority and segregation of duties;
- identification and management of risks or potential risks through a strategic risk register;
- an internal audit department reporting to the Audit and Risk Management committee and trustees;
- processes in place for identifying and managing compliance with relevant legislation and with the requirements of regulatory bodies; and;
- operational policies and procedures for staff.

The board receives reports at each meeting on progress against our strategic targets, our financial performance and strategy assurance heatmaps. The board has responsibility for overseeing risk management within Jisc as a whole with the Audit and Risk Management committee having detailed oversight of the risk management framework.

Our Strategy Assurance Framework maps risk areas against our strategy, identifies early warning indicators as well as success indicators. Our strategic risk register is underpinned by risk registers created and maintained for each specific part of the business, as well as for other specific activities such as mergers. Regular reviews are held with all strategic risk owners to check progress of mitigating actions and position of early warning indicators, evaluate their impact on the risk status and check the relevance and focus of the risk in question. Details of the key risks to the successful delivery of our strategy can be found in the Principal risks and uncertainties section of this report on page 19.

Risk management training and supporting documentation is available to all staff. A risk management system is in use across the organisation, which is also used for tracking progress against organisational targets as well as actions arising from internal audits.

The board considers the risk appetite annually. We encourage a well-managed risk appetite, tailored to each area of our activity which supports the development and delivery of new services to meet the needs of our customers through our research and development work, while ensuring that we maintain oversight for parts of the business with less tolerance for risk. The risk appetite was reviewed and updated in June 2021.

Each year, the Audit and Risk Management committee receive an assurance map for a series of planned audits, approve the annual internal audit plan and receive reports of all internal audits undertaken by Internal Audit.

Audit and Risk Management opinion 2020-21

Based on the work of the Audit and Risk Management committee, internal audits conducted during the reporting year and in the context of materiality:

Audit and Risk Management committee opinion 2020-21

Having taken account of:

a. consideration of reports from the chief executive officer and Jisc officers on a number of activities;

b. consideration of a range of audits and the opinion of Jisc's Group Internal Audit Manager;

c. discussions with the Jisc executive leadership team and others regarding risk management across the Group, and the assurance we have received as to the beneficial impact of those discussions on Jisc's system of risk management;

d. the Jisc risk management framework including the Jisc risk appetite;

It is the opinion of the Audit and Risk Management committee that:

- Further work is required to improve the control framework within the Finance & Procurement directorate, particularly preventative controls. However, in most instances the key detective business controls should be sufficient to detect and mitigate the impact of the weaknesses identified.
- Further work is required to improve the general internal control environment around projects.
- Further focus is required to ensure that audit recommendations are completed efficiently and effectively;
- With the exception of certain preventative controls, the overall control environment is adequate and effective.
- The Jisc Group arrangements for corporate governance, risk management and value for money are adequate and effective
- The chief executive officer and the Jisc board may place reasonable reliance on these processes and systems in carrying out their respective roles and providing assurances to Jisc's funders and members

The Audit and Risk Management committee also manages the process to appoint external auditors. Our auditors have the opportunity to meet the committee without staff present and this right was exercised in November 2020. A revised Whistleblowing policy was launched to the organisation in Summer 2021, which includes an anonymous whistleblowing channel. The launch of the policy has been accompanied by communications to raise awareness and a mandatory training module. Staff have been trained to conduct investigations of any reports made.

Board effectiveness

The board usually meets 4 times a year with one additional strategy-focussed awayday. A strategy awayday was held in September 2020 with an additional strategy-focussed discussion also held in April 2021 in place of a planned awayday. All board meetings throughout the year, including strategy sessions, have been held online. There has been no interruption to the decision-making of the board as a result of COVID-19 disruption. The board has a clear agenda at every meeting and a forward look agenda plan. Additional items can be added to future agendas at the request of trustees.

Our trustees include senior leaders working in UK further and higher education and individuals with the business skills and expertise that help shape Jisc for the future. Individuals are drawn from across the UK to provide an appropriate balance of experience from the respective countries and from the sectors we serve, and in accordance with our defined skills set for trustees.

Trustees are permitted to access independent professional advice should they feel it is necessary to support the discharge of their duties as a trustee. There have been no requests for such advice in the reporting year.

Our chair is appointed by our Representative Members (AoC, GuildHE and UUK). The role of chair is separate to that of chief executive. A deputy chair is also appointed by the board on the recommendation of the Nominations and Governance committee. As described in the Leadership section from page 26, a recruitment process for a new chair for the organisation was completed during the reporting year.

As at 31 July 2021, the composition of the board was as follows:

Chair – appointed by AoC, GuildHE and UUK	
One trustee nominated by AoC	One trustee nominated by GuildHE
One trustee nominated by UUK	One trustee nominated by our funders
Up to eight trustees appointed by the board	Jisc chief executive

The skills matrix for trustees is reviewed when a vacancy arises to identify the skills and experience that we wish to see in new trustee appointments. An open recruitment process for trustees was initiated in Autumn 2020 to fill some skills and experience gaps on the board and to assist succession planning. Two appointments were made as a result of this process. A process to identify a new funders nominee was also undertaken and a new trustee appointed. Details of all trustees appointed as a result of these processes can be found in the Governance and Management section of this report from page 25.

Trustees are appointed for a maximum term of six years – a three-year initial term and an extension of up to a further three years subject to a positive performance review and subject to the agreement of appointing organisations where this applies. In exceptional circumstances, an extension of up to one further year is permitted[5]. In November 2020, the Nominations and Governance committee agreed that a period of at least one year was required between a trustee standing down and taking up another role with the organisation.

Trustees receive an induction when taking up a role with Jisc. This includes the provision of background and supporting documents relating to the Jisc Group and resources from the Charity Commission ("The Essential Trustee"). Meetings are held with the chief executive and members of the Executive Leadership Team to give a detailed overview of our activities. Inductions are also held when a trustee is appointed to any of our board committees, or any other role that a trustee takes up (e.g. as chair of the .ac.uk appeals panel).

A board and committee effectiveness review is conducted each year, which also includes a survey and discussions with trustees and committee members about their contributions to the role of the board or committee. The recommendations arising from the reviews are considered and agreed by the

[5] Professor Mark E Smith was extended for a further year (beyond his six-year term) to December 2021. This extension was given to help facilitate discussions of a potential merger with HESA, of which Professor Smith is also a trustee.

Nominations and Governance committee and the relevant board or committee. An external review was last conducted in 2017-18. The Nominations and Governance committee agreed that the review due to be held in Autumn 2021 would be conducted internally, given the appointment of a new chair and a number of new trustees in the preceding months. The expectation is that the 2022 review will be conducted by an external consultant.

Equality, diversity and inclusion

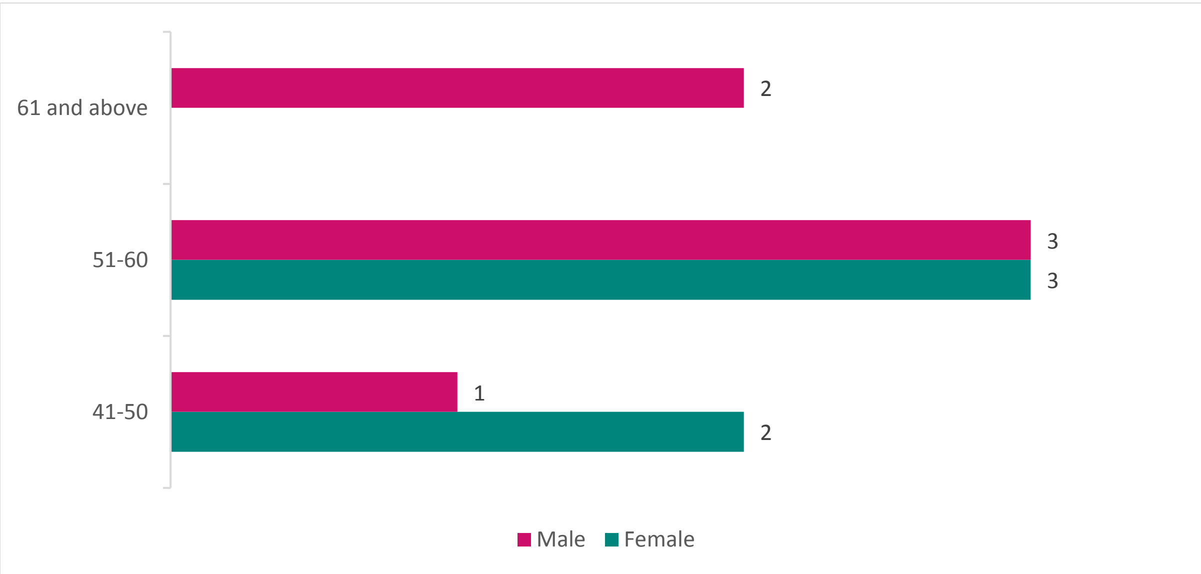
The board and the Nominations and Governance committee are committed to increasing diversity within the governance structure, both at board and executive level. Candidates from diverse backgrounds are sought and encouraged whenever a vacancy for a trustee arises, including when an appointment is the result of the nomination by our funders or Representative Members.

We are committed to removing, reducing or preventing obstacles to people becoming trustees.

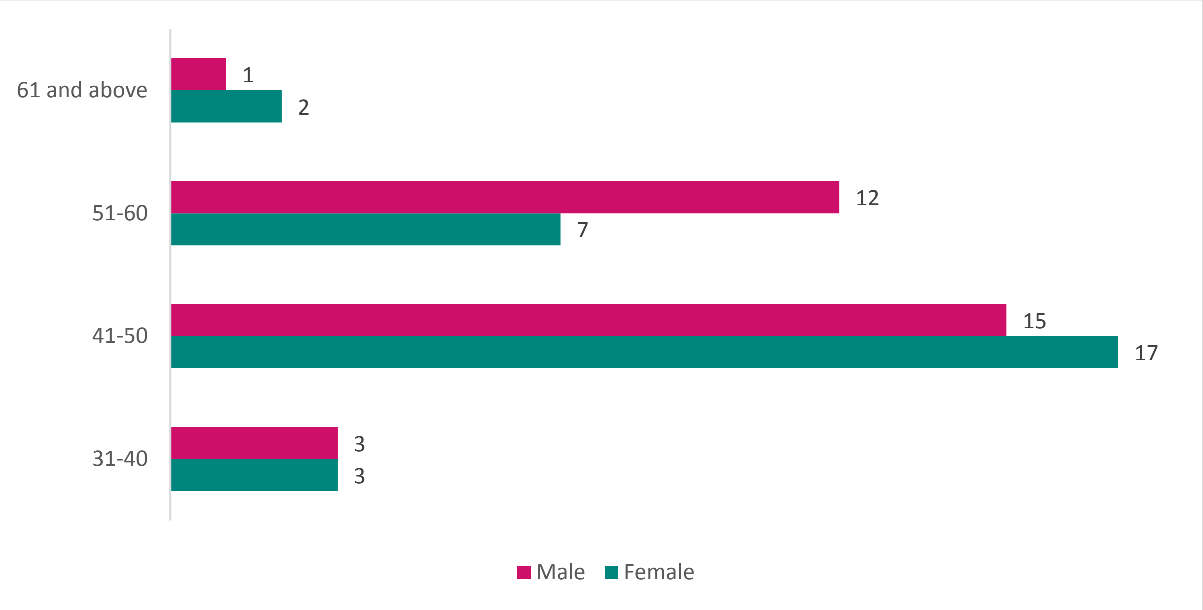
A Jisc-wide programme of activity to explore diversity is also reviewing the diversity of the board and how we can better address different diverse factors. One of our guiding principles agreed by the board (discussed further in Internal organisation section on page 39) is ‘Always inclusive’ which focusses on building and celebrating a culture of diverse minds, be actively inclusive and open, and working together as one.

As at 31 July 2021, our board comprised 36% female and 64% male trustees. A new female chief executive officer joining the organisation in September 2021 adjusts this to 43% female, 57% male. No other diversity factors are currently represented on the board.

The Executive leadership team comprises the chief executive officer and executive directors. The age and gender distribution of this group is as follows:



The age and gender distribution of senior leaders (those reporting to Executive leadership team members) is as follows:



54.5% of the Executive Leadership Team and 61.6% of senior leaders have provided ethnicity data. Only two people have declared a non-white background.

Diversity and inclusion strategy

Our diversity and inclusion (D&I) strategy has built substantial momentum. Aligned with our 'always inclusive' guiding principle, the strategy has been welcomed by leaders and colleagues. D&I sessions have been held with senior leaders with action plans to deliver the strategy now being developed. Many colleagues are actively engaged in supporting the strategy through the newly formed Inclusion Group, working together on D&I initiatives.

Our employee resource group, supporting Neurodiversity and Neurodivergence at Jisc, has over 60 members who share insights, knowledge and offer support to each other as well as attending regular meetings. D&I events and talks have been well attended with demand for more. Our groups have supported us to run a number of awareness raising events this year particularly on neurodiversity themes and celebrating Pride month.

We are about to embark on a journey with an external D&I partner on designing our Jisc-wide D&I education programme, commencing in September 2021. We are also exploring new recruitment partnerships and opportunities to enhance our D&I strategy.

An inclusive recruitment workshop has had a positive impact on the diversity of successful candidates. Recruitment D&I data is now available for all candidates and this was able to determine the success of our recent graduate scheme. Policies are now being reviewed with a D&I lens with some being refreshed to ensure relevance and progress in line with our inclusive culture.
Anti-racism will be at the forefront of our approach to our guiding principles and people strategy. Jisc, having partnered with the Black FE Leadership Group (BFELG), has adopted their 10-point anti-racism toolkit to take a direct approach to tackling racism in the workplace. This is integral to our D&I strategy.

Diversity data for the organisation is shared in the Internal organisation section on page 39.

Openness and accountability

Further information about engagement with our members can be found in the stakeholder engagement section of the Strategic report on page 11. Communicating effectively with our key stakeholders is central to our business.

Regular reporting is provided to each of our core funders to describe our activities and how we have supported the priorities of our funders. Meetings of our Funders and Owners Group are held three times annually, which consists of representatives from each of our funders and Representative Members. The meetings are chaired by the Jisc chair and attended by senior Jisc officers. These meetings have continued to be held online through the year and have continued to be a beneficial forum for all involved.

The board receives reports based on feedback from member organisations or other stakeholders. The board discusses lessons learned as appropriate in the context of the board's strategic role.

In the year to 31 July 2021, remuneration has been paid to Dr Paul Feldman (as Chief executive) and to both Professor David Maguire and Professor Paul Boyle for the periods of time when they acted as Jisc chair. This remuneration is paid for these additional roles undertaken on behalf of Jisc and not in their capacity as trustees. The details of the remuneration are shown in note 13 of the Financial Statements on page 63, 64 and 65. The level of remuneration has been approved by the Remuneration committee and Jisc's Articles of Association give authority for this payment. No other trustees are remunerated.

The remuneration of the Executive leadership team is set within a framework agreed by the Remuneration committee. Details of this remuneration can be found in note 13 of the Financial Statements on page 63,64 and 65.

A travel and subsistence policy is available for trustees and committee members. Travel and subsistence costs are refunded to trustees and committee members on submission of a claim with supporting receipts and payment is subject to compliance with the policy. These costs are included in the note relating to trustees' expenses in note 9 of the Financial Statements on page 62, though no expenses were incurred or claimed during the year.

Trustee indemnity insurance provides insurance cover for trustees against claims which may arise from their legitimate actions as trustees. Insurance is in place for all trustees through the course of their appointment with Jisc. There have been no claims against this insurance in the reporting year.

Streamlined energy and carbon reporting

In accordance with The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, Jisc is presenting its greenhouse gas emissions and energy use report covering the 2020-21 financial year. Autumn 2020 was the first year that Jisc produced a SECR. 2019-20 has therefore been used as comparison year, with the caveat that we will likely be identifying an alternative baseline year in future as data may not be fully representative due to COVID-19.

Greenhouse gas emissions and energy use data for period 1 August 2020 to 31 July 2021

<table>
<tr><th></th><th></th><th>Current reporting year 2020-2021</th><th>Comparison reporting year 2019-2020</th></tr>
<tr><td></td><td colspan="3">UK and offshore</td></tr>
<tr><td rowspan="4">Energy consumption used to calculate emissions: /kWh –optional to provide separate figures for gas, electricity, transport fuel and other energy sources</td><td>Electricity from properties (kWhs)</td><td>754,646</td><td>805,045</td></tr>
<tr><td>Distance travelled using hire cars (kms)</td><td>44,596</td><td>73,674</td></tr>
<tr><td>Distance travelled using personal vehicles (kms)</td><td>96,482</td><td>448,298</td></tr>
<tr><td>Distance travelled using long-lease van (kms)</td><td>Van no longer leased</td><td>12,772</td></tr>
<tr><td>Emissions from combustion of gas tCO2e (Scope 1)</td><td colspan="3">Jisc does not use natural gas to fuel its properties.</td></tr>
<tr><td>Emissions from combustion of fuel for transport purposes (Scope 1)</td><td colspan="3">Emissions from combustion of fuel for transport purposes have been included in Scope 3 calculations following guidance: "Where a vehicle is used by an organisation, but it isn't owned by the organisation, then the emissions from the vehicle can be reported in Scope 3 instead of Scope 1, using the same factors. These factors can also be found in the Scope 3 under 'Business travel-land' or 'managed assets- vehicles')."</td></tr>
<tr><td rowspan="4">Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel (Scope 3)</td><td>Emissions from hire cars (tCO2e)</td><td>7.40</td><td>12.56</td></tr>
<tr><td>Emissions from personal vehicle use (tCO2e)</td><td>16.54</td><td>76.84</td></tr>
<tr><td>Emissions from long-lease van (tCO2e)</td><td>Van no longer leased</td><td>1.90</td></tr>
<tr><td>Total (tCO2e)</td><td>23.94</td><td>91.30</td></tr>
<tr><td rowspan="6">Emissions from purchased electricity (Scope 2, location-based)</td><td>Broadhurst (formerly Churchgate) House (tCO2e)</td><td>19.52</td><td>20.49</td></tr>
<tr><td>Fetter Lane (tCO2e)</td><td>11.72</td><td>15.12</td></tr>
<tr><td>Lumen House (tCO2e)</td><td>90.70</td><td>115.40</td></tr>
<tr><td>Portwall Lane (tCO2e)</td><td>33.15</td><td>28.04</td></tr>
<tr><td>Castle Park (tCO2e)</td><td>5.14</td><td>8.64</td></tr>
<tr><td>Total (tCO2e)</td><td>160.23</td><td>187.69</td></tr>
<tr><td colspan="2">Total gross tCO2e based on above</td><td>184.17</td><td>278.99</td></tr>
<tr><td>Intensity ratio: tCO2e per £m of income</td><td colspan="2">184.17 tCO2e / £124m =
1.485 tCO2e per £m of income</td><td>2.437 tCO2e per £m of income</td></tr>
</table>

Energy Efficiency Action

Our CSR strategy and statement (see the Governance and Management section from page 25) affirm our commitment to reducing the environmental impact of Jisc's business and services and supporting our members to attain their own environmental goals over time.

Compared to Jisc's previous SECR submission for 2019-2020, emissions from all vehicle use and from all properties apart from our Portwall Lane office have reduced. However, due to the ongoing COVID-19 pandemic, we cannot conclude that this represents genuine long-term reduction in Jisc's emissions at present.

UK universities and colleges are adopting Net Zero goals and in common with others around the world, some have already declared a climate emergency. Our services support this and already have a positive impact on the environment, such as e-books, Jisc Collections, and the Janet network which allows members to collaborate remotely rather than face-to-face.

Our office at Portwall Lane, Bristol includes features such as solar panels, repurposed furniture from our previous office, and energy efficient lighting and heating. The merger with HECSU included bringing HECSU's staff into our Manchester office, reducing the carbon impact of the combined organisations.

We encourage staff to use public transport wherever possible. All the emissions from our travel are offset via a tree planting scheme. We are Gold Partners with Trees for Life, who to date have planted 3,135 trees in the Scottish Highlands on our behalf and provide opportunities for team building events and tours of their Dundreggan Estate. Even before COVID-19, we have been actively encouraging our staff to reduce their travel through initiatives such as the use of videoconferencing, as well as working from home where this is practical. We operate a cycle to work scheme and provide cycle racks and shower facilities to encourage and support cyclists.

Consumables such as cleaning products and tea/coffee, where possible, are low impact. We promote recycling at each site and collect hard-to-recycle items for example crisp packets, pens and bottle tops. We endeavour to allow staff to make their own lives less impactful through a review of the benefits package offered, for example discounts on solar panels and electric vehicles.

The uncertainties surround the continuing impact of COVID-19 mean we cannot make any assumptions or set highly specific targets based on using either 2019-20 or 2020-21 as baselines. We will work towards the longer-term goals set out in our high-level strategy and in our CSR strategy, such as our revised strategic target of achieving Net zero for Jisc by 2040 with all energy use from renewable sources (where we own the building) and the prioritisation of environmental responsibility throughout the design and execution of future refurbishments. Our environmental strategic target for 2020-21 is to "Develop an achievable plan to reduce carbon emissions with the aim of net zero by 2040".

We have also added relevant risks arising from climate change to our strategic and operational risk registers and reflected their impact in our risk appetite.

Methodology

Conversion factors	Throughout, we have used the Government's conversion factors: **https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting**.
Comparison reporting year 2019-2020	2019-2020 was the first year that Jisc produced a SECR. This has therefore been used as comparison year, with the caveat that we will likely be identifying an alternative baseline year in future. This is due to the exceptional and therefore unusual conditions in 2019-2020 and 2020-2021 caused by the COVID-19 outbreak.
Properties general	Wherever possible, data from actual meter readings was used to calculate kWhs. Where this was not possible; other methodologies were used. As this was the case with Churchgate House and Castle Park; the breakdown of methodology relating to these properties is listed below.
Broadhurst House (previously Churchgate House)	Meter data was only available for August, September and October 2020. An average has been taken of the readings provided between August and October 2020 and this figure has been used for all missing months.
Castle Park	The Castle Park office closed to staff on 29th November 2019 and was replaced with the Portwall Lane office. Although Castle Park is no longer used by staff, Jisc still hold the lease and are therefore remain responsible for the energy consumption of this property. Meter readings were not available for August 2020 to July 2021. An average has been taken of the energy consumption between December 2019 to March 2020 and this figure has been substituted for all months.
Vehicles general	As Jisc does not own any vehicles, it was decided that vehicle emissions should be included within Scope 3 calculations.
Hire car use	Reports were produced by Enterprise and Nexus detailing all hire cars used within the financial year. The conversion factors under Business travel – land for an Average Car were used, alongside the related fuel type. For commercial vehicles, the conversion factors under Managed assets – vehicles were used as vans did not appear under Business Travel – land. All commercial vehicles were categorised as diesel Class III (1.74 to 3.5 tonnes) vans.
Personal vehicle use	Details for personal vehicle use by own employees was taken from our expenses system, therefore only those journeys that were claimed on the expense system were included in this calculation. Data relating to car size or market segment was not available. The conversion factors for Business travel – land for an Average car with unknown fuel type were used.
Long-lease van use	Jisc no longer hold a long-term van lease. In the comparison year 2019-2020, the emissions produced by Jisc's long-lease van were included under Managed assets – vehicles. The conversion factors used were that for a Class I diesel van.

Financial policies and risks

Financial policies

A number of financial policies are in place for the Jisc Group:

- Treasury – this describes the nature of the investments that Jisc holds. Neither Jisc nor its subsidiaries have a requirement for external borrowings. Any borrowings are not permitted to be taken out without the prior consent from OfS under the terms of the grant funding agreement.
- Reserves - this describes the categories of reserves that Jisc holds and the reasons for each.

Both policies were reviewed by the Finance and Treasury committee in 2021 and approved by the board.

Credit risk

The Jisc Group's activities are primarily with state-funded education and research bodies and, as such, has minimum credit risk.

Liquidity risk

In its cash management, Jisc ensures that there are sufficient cash balances to meet day-to-day needs of the organisation. This is reflected in our Investment strategy (see Financial performance and strategy section on page 13).

Grant-making policies

In some cases, we provide grants to organisations to provide services on our behalf or to participate in projects. Grants are managed through specific agreements, which set out the conditions of the grant, including reporting requirements and when and how disclosure will happen. The agreement also outlines our responsibilities. Grants are usually disbursed in instalments to ensure that agreed timings and results are being met and managed. Our staff, monitor and evaluate progress throughout the period of the grants. The nature of these activities will depend on the size and complexity of the grant and the perceived level of risk.

Payment practices

In accordance with regulations in the Small Business, Enterprise and Employment Act 2015, we have prepared and submitted **payment practices reports** for each 6-month period.

Internal organisation

Operating model

Over the past 18 months we have continued to embed our operating model, which spans all companies in the Jisc Group. The operating model is based on the sectors that we operate within and the products and services that we offer, with underpinning shared services.

Members of the Executive Leadership Team (ELT) lead the development and execution of either sector strategies for their area, or the development and delivery of products and services to meet our members' needs.

The shared service functions support the overall effective and efficient delivery of products and services/the sector strategies and undertake activities that deliver organisational benefit to Jisc.

This operating model has enabled us to focus strategically on the sectors that we operate within and the products that we offer, whilst continuing to drive efficiencies and effectiveness through our shared services.

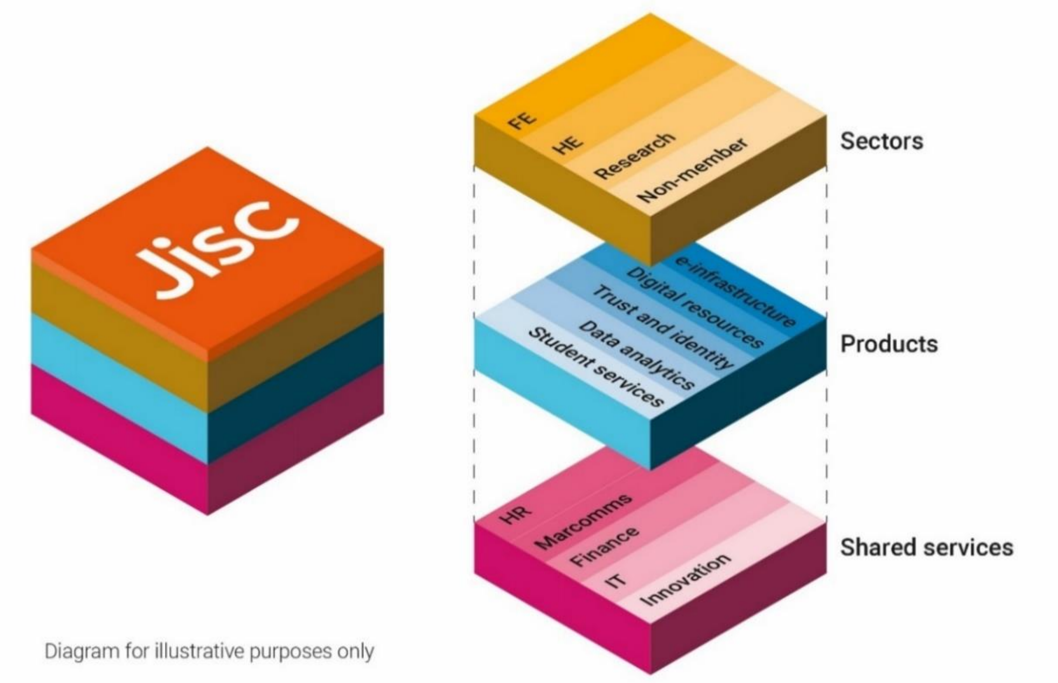


Diagram for illustrative purposes only

Staff numbers

Our headcount has increased by 1% over the past 12 months to 899 employees as at 31 July 2021. Of these, 6% (56 employees) were on fixed term contracts (compared with 8% in 2020). The total turnover rate for the period 1 August 2020 to 31 July 2021 was 13.9% compared to 8.5% in 2020.

Whilst recruitment volumes across Jisc have remained high, Jisc is now seeing an increase in employee turnover which is why the overall headcount has only grown by 1% since July 2020. This increase in employee turnover could be attributed to the impact of the Covid-19 pandemic, where we saw a reduction in leavers due to external economic uncertainty, with employee turnover reducing in 2020 to 10.75% compared to 15.5% in 2019. In 2019 the UK average for total turnover was 17.1% meaning Jisc was below average.

People Strategy

In 2020 we set out our 3 year people strategy, with an ambitious plan to build, grow and align our employee experience to match the ambitions we have around our Members' and Customers' experience. The strategy is based on 'because we CARE' and CARE forms the key elements of the strategy.

One year in and the foundations are set to improve our employee experience, build our one Jisc culture and start to tackle the challenging harmonisation issues.

The pandemic has fast tracked our approach to agile working and we have launched "Future of Office" which has transformed the way in which our people work, with a majority of our people (80%) moving to a hybrid way of working. This is key to the Jisc culture and will give our people more flexibility to make choices about the way they work.

We've also further evolved the people strategy and transformed the HR team itself to ensure both are best positioned to support the organisation moving forwards, with the creation of a dedicated HR systems and data team. We now need to embed the strategy into the everyday thinking and practices of our managers, our leaders and our people.

The focus for the future will be on leadership and culture, systems and data, harmonisation, engagement and transforming "HR" even further, to be a truly customer centric function.

Culture

Our Guiding principles were launched in late 2020 and are embedding well across Jisc, now forming part of the performance management discussions. Workshops were held for all teams to introduce them to the Guiding principles and discuss team strengths and areas of focus.

At our temperature check in June 2021 employees agreed or strongly agreed that 83% of our managers are great role models for these principles.

Our Guiding principles feature strongly in our recruitment campaigns and we get regular feedback from candidates that it was the descriptions of our culture which swayed their decision to apply to work with us.

Gender pay gap report

Our most recent **Gender bonus and pay gap report** is based on a snapshot of earnings taken in April 2020. We published our report even though the government removed the requirement due to the pandemic. The report shows that our mean gender pay gap has reduced by 2.6% from 17.7% to 15.1%. Our median gap has remained largely static at 14.4% from 14.1% in 2020. Our change in figures is driven by female appointments to the Executive Leadership Team but we have continued, overall, to employ more men than women across the organisation. However, as noted in the Age and gender section below, this is changing more recently. The median bonus gap has increased to 20.4% but the mean has reduced to 31.7% from 51.4% in 2020 when more people received a bonus. We have reviewed our approach to bonuses, including eligibility criteria and will monitor this closely going forward.

The gender pay gap figures are a key measure of success for us, the results take time to impact but we are not complacent and are committed to attracting and retaining women in tech and senior roles.

Diversity

Information about our commitment as an organisation can be found in the Equality, diversity and inclusion section of this report on page 32.

Equalities information

Equalities information is held on our HR system in accordance with GDPR principles. We are reviewing the equalities data that we capture and will be launching a new process for this in Autumn 2021. We will continue to look carefully at our data to understand patterns and implications for our strategy, both in terms of tracking success and identifying areas of focus. Our new diversity strategy and HR system provide good opportunities to do this.

Approximately 51% of staff in post at 31 July 2021 have provided information about their ethnic origin, 44% their religion, 45% their sexual orientation and 4% (37) disclosed a disability. We intend to launch a communications campaign to encourage more people to disclose their information.

Ethnicity

Diversity varies across teams. Further details of ethnic diversity are shown in the table below. Of those who provided a response, the number of staff recording themselves as White (91%) is a higher proportion than the general population based on the 2011 census (86%).

Chinese	Not Known or Prefer Not to Say	White	Mixed heritage	Asian or Asian British	Black or Black British	Not provided
0.44%	1.57%	45.45%	1.23%	1.79%	0.56%	48.93%

Religion

Approximately 8.75% of the returns identified with Christianity as their belief system, with an additional 2.46% specifically Catholic. The number of staff who have no religious belief is at 19.3%. Further information on the diversity of religious beliefs at Jisc is below:

Atheism	Catholicism	Christianity	Hinduism	Islam	Jainism	Jewish	Muslim
6.84%	2.46%	8.75%	0.67%	0.22%	0.11%	0.11%	0.22%

No Religion	Not Specified	Rastafarianism	Other	Spiritualism	Taoism	Unitarianism	Not provided
19.30%	3.59%	0.11%	1.12%	0.22%	0.11%	0.11%	56%

Age and gender

Jisc continues to employ people across a broad age group, with the age of new starters over the past year ranging between 18 and 71 - with the average age for a new starter being 38 years old. The average age of our new starters in the last 12 months is 35 years old.

Compared to last year, the proportion of women in post has increased, from 44% at the end of July 2020 to 45.9% at the end of July 2021. Our partnership team will continue to monitor these figures and work with teams across the business so that we can address any issues as they are identified.

Sexual orientation

45.5% of staff have disclosed their sexual orientation. 4.26% preferred not to say. The majority of staff (38%) indicate that they are heterosexual, 2.79% identify as lesbian, gay or bisexual. We have an active LGBTQ+ Yammer group and are looking to develop a LGBTQ+ group as part of our Diversity strategy.

Bisexual	Gay	Heterosexual	Lesbian	Not provided	Prefer not to say	Unknown
1.23%	1.23%	38.04%	0.33%	54.54%	4.26%	0.33%

Supporting staff with disability

In 2020, 42 staff reported that they consider themselves to have a disability. We encourage employees to talk to us about any support they need regarding disabilities and as part of the new D&I strategy are focusing on educating our people about the breadth of both mental and physical disabilities. The new diversity data capture form will enable us to gather more data about how many of our people identify as having a disability. Jisc continues to work with an independent occupational health provider to support the health and wellbeing of our people, and to determine if there are any measures or reasonable adjustments to be considered to support the individual in the workplace. All new members of staff complete a pre-employment health questionnaire that is reviewed by occupational health to ensure that we are appropriately supporting staff from the beginning of their employment.

In line with our commitment to an inclusive and diverse workforce, disabled employees have equality of access to training, development and progression. Support is also given to encourage return to work and retention of newly disabled employees, providing where required a period of rehabilitation, support and training.

Mental health related disabilities are becoming more common place and talked about in the workplace and society in general. We have a network of Mental Health First Aiders who provide support to colleagues and can direct colleagues to further sources of support, including our employee assistance programme. We are also providing training to managers on supporting employees with mental health issues, regardless of whether or not they have a disability.

This approach is driven by our iMatter Strategy and the work is being overseen by the health, safety and wellbeing committee. This forms part of our commitment to a holistic approach to health and safety and wellbeing.

Pay, benefits and recognition

Our objective is to ensure that we have salaries and reward packages that are competitive in the market and offer an attractive range of benefits. Our underpinning philosophy is about flexibility of choice to our people and we continue to review our employee benefits. We have recently introduced a new defined contribution pension scheme giving employees a more affordable alternative for saving towards their retirement. A new long- term savings arrangement & access to financial wellbeing products have also further enhanced our wellbeing offering.

We have a set of guiding reward principles which include a single pay framework which covers all staff except the Executive Leadership Team. The salaries of the Executive Leadership Team are determined by the Remuneration committee.

Pay progression and decisions focus on performance and the market rate for roles. Jisc has recently integrated performance management with our new HR system, allowing managers to have transparent conversations with our people about their performance throughout the year.

A variable bonus scheme is in place for members of the Executive Leadership Team, and there are fully governed commission schemes for account managers and other sales employees. These schemes are reviewed annually to ensure alignment to business priorities and are fully linked to performance.

The Remuneration committee considers the annual pay review proposals for all staff across the organisation and the resulting overall level of increase in the salary bill in the context of business performance, and the need to ensure good pay governance. The Remuneration committee reports to the board, providing sufficient detail to enable the board to assure themselves that rigorous, fair and defensible processes have been undertaken in all reward decisions as overall responsibility remains with the board.

A new Recognition Scheme was launched during the year to support our one Jisc culture programme with non-financial and small financial awards. Employees regularly send e-cards to colleagues calling out great examples of when our Guiding principles are shared, these stories are shared at our ‘Star of the month’ celebration events.

Employment policies

A core set of employment policies are in place and are periodically reviewed to ensure that they meet employment legislation, our values and support an inclusive and diverse workforce. Our approach to our HR policies is intended to be light touch providing a framework to support people managers and their teams.

In October 2020 we introduced a new wellbeing policy to continue our support to colleagues and in May 2021 we also replaced our special leave policy and replaced it with 'Time off' guidance. This was changed to give greater clarity on what is available and to enable management discretion. We also increased the amount of paid time off for critical times in our staff's lives when they need it most e.g. compassionate and bereavement leave. As part of this parental bereavement leave was also introduced in line with new legislation which we enhanced to be full pay. These new policies and changes are in line with our approach and to continue the support we provide to our people.

Workforce engagement

We use a number of communications channels to engage staff and encourage two-way communication across the organisation. These include the following:

- Joint Negotiating Committee with the University and College Union (UCU), our recognised trade union
- Employee Voice Forum (EVF), available to all staff to enable all employees to have a voice, and to share their concerns and views
- Equality, diversity and inclusion network to raise awareness, highlight barriers, celebrate where we are doing well and influence actions that can help further reduce the pay gap
- Fortnightly staff update and monthly all staff briefing on key issues
- Monthly strategy updates from Executive Leadership Team members
- Regular briefing sessions, both at directorate level and organisation wide via 'all hands' briefings with the chief executive and location wide briefings
- Jisc wide staff conference, with the next conference planned for September 2021.
- Intranet
- Targeted emails where a group of staff are specifically affected by an issue
- Open consultation processes
- Regular blogs, podcasts and webinars
- Yammer Groups

Responsibilities of the board in relation to the Trustees' report

The trustees (who are also directors of Jisc for the purposes of company law) are responsible for preparing the Trustees' Report (including the Strategic Report) and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law, the trustees have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland") and applicable law. Under company law, the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the Group and of the incoming resources and application of resources, including the income and expenditure, of the Group 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 Statement of Recommended Practice: Accounting and Reporting by Charities (2015);
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 adequate accounting records that are sufficient to show and explain the charitable company's transactions and 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.

The trustees 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.

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

The Trustees' responsibilities regarding the Office for Students grant reporting

The Trustees are responsible for ensuring that all terms of The Funding Agreement have been complied with or varied in writing with the Office for Students. The trustees are also responsible for providing relevfinancial information to the Office for Students.

In the case of each trustee in office at the date the Trustees' Report is approved:

- so far as the trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

Appointment of Independent Auditors

Grant Thornton UK LLP are deemed reappointed as our external auditor pursuant to section 487 of the Companies Act 2006.

The Strategic Report and Trustees' Report have been approved, authorised for issue and signed on behalf of the board by:

Professor Paul Boyle

Professor Paul Boyle, Jisc chair

20 December 2021

Independent auditor's report to the members and trustees of Jisc

Opinion

We have audited the financial statements of Jisc (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 July 2021, which comprise the Consolidated Statement of Financial Activities (including income and expenditure account), the Consolidated and Charity Balance Sheets, the Consolidated Cash Flow and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102; The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 July 2021 and of the group's incoming resources and application of resources, including its 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 requirements of the Companies Act 2006 and Charities Act 2011.

Basis for opinion

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts. We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the group and the parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.

In our evaluation of the trustees' conclusions, we considered the inherent risks associated with the group's and parent charitable company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the trustees and the related disclosures and analysed how those risks might affect the group's and parent charitable company's financial resources or ability to continue operations over the going concern period.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

The responsibilities of the trustees with respect to going concern are described in the 'Responsibilities of trustees for the financial statements' section of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report, prepared for the purpose of company law, included in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Strategic Report and the Directors' Report included in the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report included in Trustees' Report.

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 Charities Act 2011 requires us to report to you if, in our opinion:

- adequate and sufficient accounting records have not been kept by the parent charitable company, 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

Responsibilities of the trustees for the financial statements

As explained more fully in the Trustees' Responsibilities Statement, page 45, the trustees (who are also the directors of the parent 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and parent charitable company and industry in which it operates through our sector experience, making enquiries of management and those charged with governance and inspection of the parent charitable company's key external correspondence. We corroborated our enquiries through our review of board minutes and other information obtained during the course of the audit.
- Through the understanding that we obtained, we determined the most significant laws and regulations related to the financial reporting framework, being international accounting standards in conformity with the requirements of the Charities Act 2011, Companies Act 2006 and Data Protection Act 2018, as well as other laws and regulations such as Bribery and corruption.
- We assessed the susceptibility of the Group and parent charitable company's financial statements to material misstatement, including how fraud might occur and the risk of management override of controls., by considering management's incentives and opportunities for manipulation of the financial statements. We determined that the principal risks were in relation to the potential management bias around estimation and judgemental areas of the valuation of investments, Intangible assets and Property, Plant and Equipment; and through management override of controls.
- Our audit procedures included:
  - Making enquiries of management concerning the Group and parent charitable company's policies and procedures relating to the identification, evaluation and compliance with laws and regulations; the detection and response to the risks of fraud; and the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations. We considered whether there is a culture of honesty and ethical behaviour within the Group and parent charitable company and whether there is a strong emphasis of prevention and deterrence of fraud amongst those charged with governance. We also enquired with management and those charged with governance whether they were aware of any instances of non-compliance with laws and regulations, or whether they had any knowledge of actual, suspected, or alleged fraud;
  - Gaining an understanding of the controls that management has in place to prevent and detect fraud;

- Identifying and testing journal entries, in particular manual journal entries to revenue;
- Challenging significant accounting assumptions, estimates and judgements made by management, including those relevant to: the areas of estimation and judgement in relation to the valuation of investments, intangibles and Property, Plant and equipment;
- Gaining and understanding of and testing significant identified related party transactions;
- Performing audit procedures to consider the compliance of disclosures in the financial statements with the applicable financial reporting requirements.

- The assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
  - Understanding of, and practical experience with, audit engagements of a similar nature and complexity, through appropriate training and participation; and
  - Knowledge of the industry in which the Group and parent charitable company operates.
- Communications within the audit team in respect of potential non-compliance with laws and regulations and fraud included: the potential for fraud in relation to the areas of potential management bias around estimation and judgement in relation to the valuation of investments and intercompany debtors; and through management override of controls in the preparation of the financial statements.

Other voluntary reporting

The directors are required to comply with a funding agreement with the Office for Students ("OfS") dated 01 August 2018 (the "Funding Agreement"). We have been requested to undertake additional procedures in accordance with the OfS Audit Code of Practice and to provide an opinion on regularity, as if Jisc were a higher education institution as defined under the Further and Higher Education Act 1992.

In our opinion

- funds from whatever source administered by the organisation for specific purposes have been properly applied to those purposes and managed in accordance with the relevant legislation;
- funds provided by the OfS, UK Research and Innovation (including Research England), the Education & Skills Funding Agency and the Department for Education have been applied in accordance with the relevant terms and conditions.

Use of our report

This report is made solely to the parent charitable company's members and trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the parent charitable company's members and trustees those matters we are required to state to them in an auditor's 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 parent charitable company and its members and trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Michael Redfern FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Sheffield
20 December 2021

Grant Thornton UK LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Consolidated Statement of Financial Activities

(including income and expenditure account) for the year ended 31 July 2021

	Note	Unrestricted funds 2021 £'000	Restricted funds 2021 £'000	Total funds 2021 £'000	Unrestricted funds 2020 £'000	Restricted funds 2020 £'000	Total funds 2020 £'000
INCOME							
Donations and grants	4	48,090	22,938	**71,028**	46,521	21,261	67,782
Fair value of acquired net assets		-	-	**-**	7,288	-	7,288
Income from charitable activities	5	105,681	229	**105,910**	90,415	1,521	91,936
Income from other trading activities	6	18,449	145	**18,594**	16,748	194	16,942
Investment income	7	217	-	**217**	400	-	400
TOTAL INCOME		172,437	23,312	**195,749**	161,372	22,976	184,348
EXPENDITURE							
Charitable activities before USS pension change		174,054	17,455	**191,509**	157,673	19,775	177,448
USS pension provision change	30	(21)	-	**(21)**	(7,785)	-	(7,785)
Total charitable activities	8	174,033	17,455	**191,488**	149,888	19,775	169,663
Other trading activities		5,906	-	**5,906**	4,224	-	4,224
Grants	11	72	2	**74**	150	108	258
Other (gains) /losses		(69)	-	**(69)**	400	-	400
TOTAL EXPENDITURE		179,942	17,457	**197,399**	154,662	19,883	174,545
Net (expenditure) / income	12	(7,505)	5,855	**(1,650)**	6,710	3,093	9,803
Transfers between funds	22	5,562	(5,562)	**-**	6,050	(6,050)	-
Other gains / (losses)	17	12,386	-	**12,386**	(1,988)	-	(1,988)
Exceptional item	33	20,929	-	**20,929**	-	-	-
Net movement in funds for the year		31,372	293	**31,665**	10,772	(2,957)	7,815
Reconciliation of funds							
Total funds brought forward		76,932	12,266	**89,198**	66,160	15,223	81,383
Total funds carried forward		**108,304**	**12,559**	**120,863**	**76,932**	**12,266**	**89,198**

The accompanying notes are an integral part of these financial statements.

All results in the year to 31 July 2021 and in the prior year derive from continuing operations.

The consolidated statement of financial activities includes all gains and losses for the year and includes the income and expenditure of the group.

Consolidated & Charity Balance Sheets as at 31 July 2021

	Note	**Group 2021 £'000**	Group 2020 £'000	**Charity 2021 £'000**	Charity 2020 £'000
Fixed assets					
Intangible assets	15	**8,642**	10,228	**1,530**	1,700
Tangible assets	16	**19,190**	23,634	**9,194**	10,948
Investments	17	**68,740**	56,424	**100,629**	88,313
Total fixed assets		**96,572**	90,286	**111,353**	100,961
Current assets					
Debtors	18	**81,343**	51,941	**32,563**	6,176
Cash and cash equivalents	26	**33,968**	36,206	**27,399**	25,092
Total current assets		**115,311**	88,147	**59,962**	31,268
Liabilities					
Creditors: amounts falling due within one year	19	**76,444**	73,302	**27,691**	35,884
Provisions for liabilities	21	**2,390**	2,047	**2,380**	991
Total liabilities		**78,834**	75,349	**30,071**	36,875
Net current assets		**36,477**	12,798	**29,891**	(5,607)
Total assets less current liabilities		**133,049**	103,084	**141,244**	95,354
Provisions for liabilities: amounts falling due after one year	21	**12,186**	13,886	**12,121**	13,809
Net assets		**120,863**	89,198	**129,123**	81,545
The funds of the Group / Charity:					
Restricted income funds	22	**12,559**	12,266	**45,976**	30,156
Unrestricted income funds	23	**108,304**	76,932	**83,147**	51,389
Total Group / Charity funds		**120,863**	89,198	**129,123**	81,545

The Charity only net surplus for the year was £47,578k (2020: surplus of £7,170k) – refer to note 28. The accompanying notes are an integral part of these financial statements. The financial statements on pages 51 to 85 were approved and authorised for issue by the board and signed on its behalf by:

Heidi Fraser-Krauss

Heidi Fraser-Krauss

Chief executive officer 20 December 2021

Registered number: 05747339

Consolidated Cash Flow Statement for the year ended 31 July 2021

	Note	**2021 £'000**	2020 £'000
Cash flows from operating activities:			
Net cash provided by operating activities	26	**2,455**	6,616
Cash flows from investing activities:			
Interest received	7	**217**	400
Proceeds from the sale of property, plant and equipment	16	**1,129**	-
Purchase of property, plant and equipment	16	**(5,956)**	(8,578)
Purchase of investments	17	**(83)**	(545)
Net cash used in investing activities		**(4,693)**	(8,723)
Net cash provided by financing activities		**-**	-
Net cash acquired		**-**	92
Change in cash and cash equivalents in the reporting year		**(2,238)**	(2,015)
Cash and cash equivalents at the beginning of the reporting year		**36,206**	38,221
Cash and cash equivalents at the end of the reporting year		**33,968**	36,206

Notes to the financial statements

1. Statement of compliance

The group and individual financial statements of Jisc have been prepared on a going concern basis in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - ("Charities SORP (FRS 102)"), the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") and the Companies Act 2006 and the Charities Act 2011.

2. Principal accounting policies

The principal accounting policies applied in the preparation of these consolidated and separate financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Basis of preparation

These consolidated and separate financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s). After reviewing the group's forecasts and projections, the trustees have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

b) Gifted assets related to the merger

On 1 May 2020 Jisc became the sole member of HECSU, a registered charity that operates in the education sector, and as consequence Jisc gained control of HECSU without transfer of any consideration. The transaction has been accounted for as an acquisition (in accordance with section 34 of FRS 102). Accordingly, the excess of the fair value of the assets received from HECSU over the fair value of the liabilities assumed is recognised as a gain in the Statement of Financial Activities (SOFA) comparatives valued at £7,288k.There has been no similar transaction in 2020-21.

c) Group financial statements

The consolidated financial statements and the consolidated cash flow statement include the financial activities of the charity, and its wholly owned trading subsidiaries Jisc Services Limited and Jisc Commercial Limited. The subsidiaries Eduserv Commercial Limited and Jisc Liberate Managed Services Limited ceased trading on 31st July 2020. Intra-group transactions and balances are eliminated fully on consolidation.

A separate Statement of Financial Activities (including the Income and Expenditure Account) for the charity has not been presented because the charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006. Jisc as a standalone company as permitted by FRS102 as a qualifying entity has taken advantage of the available exemption to not prepare a statement of cash flows [Section 7 of FRS102 and para 3.17 (d)].

d) Fund structure

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor, such as where funding is for specific projects or is capital in nature. Unrestricted funds comprise those funds which the charity is 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 a fund for a specific purpose.

e) Income

Income is recognised when the group has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received, and the amount can be measured reliably.

Income from government and other grants, whether ‘capital’ grants or ‘revenue’ grants, is recognised when the group 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 for services, including higher education subscriptions, is recognised over the period when the relevant service is provided, or in line with the work being performed, whichever is most appropriate.

Licensing income and the associated licensing cost is recognised when the relevant service is provided except for Chest licensing income. Chest licensing income is recognised in full as an agency fee at the start of the licensing agreement period in line with the contract structure.

Interest income is recognised as earned.

Income is deferred where services have not been or are partially provided. In addition, performance-related grants that are conditional upon the delivery of a specific level of service have been deferred where the conditions have not yet been met.

f) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, 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 and has been classified under headings that aggregate all costs relating to that category of activity within the group. Expenditure is classified under the following activity headings:

- Costs of commercial trading and their associated support costs.
- Expenditure on charitable activities includes the costs of activities undertaken to further the purposes of the charity and their associated support costs.
- Grants payable are payments made to third parties in the furtherance of the charitable objects of the group. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the group agrees to pay the grant without conditions, or the conditions attached to the grant are outside the control of the group.
- Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged against the expenditure category of resources expended for which it was incurred.

g) Allocation of overhead and support costs

Support costs are those functions that assist the work of the group but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support Jisc’s projects and activities. These costs have been allocated between commercial trading operations and expenditure on charitable activities.

h) Operating leases

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the SOFA on a straight-line basis over the period of the lease.

i) Lease incentives

Incentives received to enter into an operating lease are credited to the SOFA, to reduce the lease expense, on a straight-line basis over the period of the lease.

The Group has taken advantage of the exemption in respect of lease incentives on leases in existence on the date of transition to FRS 102 (1 August 2014) and continues to credit such lease incentives to the SOFA over the period to the first review date on which the rent is adjusted to market rates.

j) Intangible fixed assets and amortisation

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated, using the straight-line method, to allocate the depreciable amount of the assets to their residual values over their estimated useful lives, as follows:

- Electronic content 10 years
- Customer contracts 10 years

Amortisation is charged to the SOFA.

Where factors, such as technological advancement or changes in market price, indicate that residual value or useful life have changed, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances.

The assets are reviewed for on an annual basis if the above factors indicate that the carrying amount may be impaired.

Costs associated with maintaining computer software are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software and use or sell it;
- there is an ability to use or sell the software;
- it can be demonstrated how the software will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
- the expenditure attributable to the software during its development can be reliably measured.

Other development expenditures that do not meet these criteria are recognised as an expense asincurred.

k) Tangible fixed assets and depreciation

All assets are capitalised and recorded at historic cost including any incidental costs of acquisition.Where appropriate, provision has been made for impairment in the value of tangible fixed assets.

Depreciation is charged on a straight-line basis to write off the cost of the tangible fixed assets over their estimated useful life. Items with a total cost of less than £1,000 are expensed in the period in which they occur.

- Land Non-depreciating
- Freehold property 50 years
- Freehold improvements 10 years
- Leasehold improvements over the life of the lease
- Fixtures and fittings 10 years
- IT equipment 3 years
- Network equipment 3 years

Repairs, maintenance and minor inspection costs are expensed as incurred.

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in SOFA.

l) Investments

Investments in subsidiaries and associates are stated at cost, less provision for impairment.

An investment in a jointly controlled entity exists when there is a contractually agreed sharing of control over an economic activity of a separate legal entity, between Jisc and third party(s). A jointly controlled entity is initially recognised at the transaction price and subsequently adjusted for the investors' share of the profit or loss.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the assets are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

m) Pensions

The organisation participates in Universities Superannuation Scheme (USS). The scheme is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate isset. The organisation is therefore exposed to actuarial risks associated with other institutions' employeesand is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", the organisation therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme. Since the organisation has entered into an agreement (the Recovery Plan) that determines how each employerwithin the scheme will fund the overall deficit, the organisation recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and therefore an expense is recognised.

n) Contingent liabilities

In accordance with the Charities SORP (FRS102) contingent liabilities are disclosed for those grants, which do not represent liabilities, but where there is a possible obligation, which arises from past events, which will only be confirmed by one or more future events, not wholly within the Trustees' control.

o) Foreign currency

Transactions denominated in foreign currencies are translated at the rate of exchange at the date of the transaction. Foreign currency balances are re-translated at the rate of exchange prevailing at the balance sheet date. Any gain or loss arising is charged to the SOFA.

The majority of foreign currency income transactions have a corresponding cost of sales transaction in the same currency, where a surplus is generated this is used to settle ad-hoc purchases in currency throughout the year.

All forward contracts were cleared at the year end.

p) 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.

q) Cash and cash equivalents

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.

r) 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 are recognised at their settlement amount after allowing for any trade discounts due. Provisions are recognised at amortised cost.

s) Financial instruments

Jisc only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their amortised cost. All financial assets and financial liabilities are carried at amortised cost.

3. Critical accounting judgements and estimation uncertainty

a) Critical judgements in applying the entity's accounting policies

Estimates and judgements are continually evaluated and are based on historical experience and otherfactors, including expectations of future events that are believed to be reasonable under the circumstances.

(i) Multi-employer defined benefit pension scheme

FRS 102 makes the distinction between a group plan and a multi-employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as Universities Superannuation Scheme. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense in profit or loss in accordance with section 28 of FRS 102. The directors are satisfied that Universities Superannuation Scheme meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the recovery plan in existence at the date of approving the financial statements (note 30).

(ii) Timing of grant revenue recognition

Revenue from restricted grants (note 4) can vary in its terms and conditions, specified years to which it relates and cash payment profile. Judgement about the most appropriate financial year in which to recognise revenue can be required together with the amount of revenue to be recognised in that year, with reference to the specifications of a grant letter.

b) Critical accounting estimates and assumptions

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) Useful economic life of tangible and intangible assets

The annual depreciation charge for tangible and intangible assets (note 16 and 15) is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See notes 15 and 16 for the carrying amount of the intangible and fixed assets respectively, and page 56 for the useful economic lives for each class of assets.

(ii) Impairment of debtors

The company makes an estimate of the recoverable value of trade, intercompany and other debtors (note 18). When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

(iii) Multi-employer defined benefit pension scheme

The costs of the USS deficit recovery plans have been estimated based on a model devised by USS and the British Universities Finance Directors Group. The model uses the additional costs included in the deficit recovery plan, management's judgement of estimated changes in staffing levels and pay increases and is discounted based on corporate bond levels having a maturity of a similar length to the recovery plan. The scheme actuary reviews the funding of the USS every year and undertakes a formal actuarial valuation every three years, at which time the deficit recovery plan may be amended (note 30).

(iv) Impairment of fixed asset investments

In assessing whether the carrying value of fixed asset investments has suffered a permanent impairment, the company considers a number of indicators which include the comparing the market value of the underlying net assets to the cost of the investment, the trading history of the entity and the forecast cash flows of that entity.

4. Donations and grants

During the year to 31 July 2021 £71,028k (2020: £67,782k) of funding was received from the United Kingdom funding bodies for higher and further education.

Funding Body:	Unrestricted £'000	Restricted £'000	**2021 Total £'000**	Unrestricted £'000	Restricted £'000	2020 Total £'000
OfS/Research England				20,000		20,000
Office for Students	5,200	11,582	**16,782**	-	10,591	10,591
Research England	15,339	10,999	**26,338**	-	10,362	10,362
DfE - England	15,021	-	**15,021**	13,991	-	13,991
Scottish Funding Council	8,073	-	**8,073**	8,073	-	8,073
HEFCW	2,001	32	**2,033**	2,001	108	2,109
DfE Northern Ireland	1,410	-	**1,410**	1,410	-	1,410
Welsh Government	1,046	325	**1,371**	1,046	200	1,246
	48,090	**22,938**	**71,028**	46,521	21,261	67,782

The core grant letters from OfS/RE in 2019-20 reflected total funding of £40m. Of this, £10m was restricted capital from each funder and the unrestricted grant effectively a joint award whilst underlying teaching and research funding was split post the breakup of HEFCE (Jisc's previous funder).

Due to the merger with HECSU on 31 May 2020 the gift of £7,288k representing the fair value of net assets transferred have been included as a donation but shown separately on the Consolidated SOFA for 2019-20. No such income in the current financial year.

5. Income from charitable activities

	e-infrastructure £'000	Digital resources £'000	Data analytics £'000	Marketing and comms £'000	**2021 Total £'000**
Licensing income	-	73,648	-	-	73,648
Chest licensing income	-	2,011	-	-	2,011
Service income	25,956	618	2,997	147	29,718
Project contributions	374	102	-	-	476
Events income	-	2	-	2	4
Consultancy income	-	3	22	28	53
	26,330	**76,384**	**3,019**	**177**	**105,910**

	e-infrastructure £'000	Digital resources £'000	Data analytics £'000	Marketing and comms £'000	2020 Total £'000
Licensing income	-	60,276	-	-	60,276
Chest licensing income	-	281	-	-	281
Service income	23,951	2,864	1,581	9	28,405
Project contributions	2,154	141	453	-	2,748
Events income	-	2	-	156	158
Consultancy income	-	16	27	25	68
	26,105	63,580	2,061	190	91,936

The Group is domiciled in the UK.

Income for the year to 31 July 2021 from external customers that are non-UK based was £6,206k (2020: £6,029k) with the remainder generated in the UK.

Of the above 2021 total, £105,681k was unrestricted (2020: £90,415k) and £229k restricted (2020: £1,521k).

6. Income from other trading activities

The group has received £18,594k (2020: £16,942k) of income from other activities, mostly arising from membership subscriptions totalling £12,899k (2020: £12,738k).

7. Investment income

All of the group's investment income of £217k (2020: £400k) arises from money held in interest bearing deposit accounts and distributions from investments.

8. Expenditure on Charitable activities

	E-infrastructure	Digital resources	Data & Technology	Marketing and comms	**2021 Total**
	£'000	£'000	£'000	£'000	**£'000**
Network operations & services	73,391	-	-	-	**73,391**
Content and acquisition	-	6,797	-	-	**6,797**
Support and liaison	-	-	-	5,655	**5,655**
Technical and development	594	-	11,321	-	**11,915**
Licensing payments	-	74,516	-	-	**74,516**
Governance costs (note 9)	651	650	651	650	**2,602**
Support costs (note 10)	8,897	2,668	4,234	813	**16,612**
	83,533	**84,631**	**16,206**	**7,118**	**191,488**

	E-infrastructure	Digital resources	Data & Technology	Marketing and comms	2020 Total
	£'000	£'000	£'000	£'000	£'000
Network operations & services	60,596	-	-	-	60,596
Content and acquisition	-	6,267	-	-	6,267
Support and liaison	-	-	-	11,085	11,085
Technical and development	3,590	-	9,816	-	13,406
Other cost of sales	-	-	-	-	-
Licensing payments	-	63,321	-	-	63,321
Governance costs (note 9)	607	607	607	609	2,430
Support costs (note 10)	5,218	5,640	798	902	12,558
	70,011	75,835	11,221	12,596	169,663

Of the above 2021 total £174,033k was unrestricted (2020: £149,888k) and £17,455k was restricted (2020: £19,775k).

Expenses on e-infrastructure are the operating costs associated with the Janet network, network related services and development. Digital resources are mainly the costs associated with the trading activities of Jisc Collections. Data analytics expenditure relates to activities on behalf of the sector, some of which is undertaken in a co-design process. In previous years this was referred to as digital futures but has been renamed to better reflect the underlying activity. Marketing and communications expenditure relates to customer engagement and communications activities on behalf of the sector. All expenditure includes irrecoverable VAT, where it has been incurred.

9. Governance costs

	2021 £'000	2020 £'000
External audit	**130**	147
Senior management salaries	**2,238**	1,942
Trustee expenses	**-**	11
Support costs	**234**	330
	2,602	2,430

The costs relating to the governance function are equally apportioned between the four key charitable activities undertaken in the year.

10. Support costs of charitable activities

	2021 £'000	2020 £'000
Wages and pension	**9,117**	1,750
Travel and subsistence	**10**	401
Consumables, post, printing, phone and stationery	**487**	393
Computer	**175**	3,139
Rent and rates	**2,262**	3,422
Temporary staff	**141**	433
Advertising	**373**	64
Consultancy and training	**818**	1,979
Professional fees and audit fees	**566**	950
Bank charges	**152**	31
Support service	**12**	72
Exchange (gains) / losses	**961**	(76)
Depreciation and amortisation	**1,173**	-
Trade Debtor Impairment	**365**	-
	16,612	12,558

Support costs of Jisc are allocated where possible directly to the charitable activity and where this direct allocation is not possible costs are allocated in line with the number of direct staff working in each charitable activity type. Wages and pension costs include a liability for paid annual leave accrued but not taken of £2,152k (2020: £941k).

The increase in wages and pensions to £9,117k (2020: £1,750k) is due to a credit in 2019-20 to adjust the pension provision, reducing its value by £7,785k. The pension adjustment for 2020-21 is a credit of £21k.

Depreciation and amortisation have been shown separately in 2020-21, having been included within computer and rent and rates in 2019-20.

11. Grants Paid

	Digital futures Project £'000	Digital futures Recurrent £'000	Digital resources Project £'000	Digital resources Recurrent £'000	e-infrastructure Recurrent £'000	**2021 Total £'000**	2020 Total £'000
University of Bristol	-	-	-	-	-	**-**	85
University of Buckingham	-	-	-	-	-	**-**	83
Shibboleth Consortium	-	-	-	-	62	**62**	62
Other grants (< £30k)	-	-	12	-	-	**12**	28
	-	**-**	**12**	**-**	**62**	**74**	258

In 2021 no grants were awarded to individuals (2020: £Nil); all grants were to institutions. Of the total grants paid to third parties during 2021, £72k were unrestricted (2020: £108k) and £2k were restricted (2020: £150k).

12. Net expenditure / (income)

Net expenditure / (income) is stated after charging / (crediting):

	2021 £'000	2020 £'000
Amortisation of intangible assets	**1,586**	1,023
Depreciation of tangible assets	**9,370**	10,721
(Profit)/loss on sale of tangible fixed assets	**(97)**	39
Exchange differences	**1,019**	(218)
Operating lease rentals: property	**1,501**	1,703

During the year the Group obtained the following services from the Group's auditors and its associates:

	2021 £'000	2020 £'000
Audit of all entities and consolidated financial statements		
Current auditors	**130**	122
Previous auditors	**-**	29
Total	**130**	151

13. Transactions with Trustees and the cost of key management personnel

Remuneration and benefits

Recipient	**2021 £**	2020 £
Dr Paul Feldman	219,400	218,400
Professor David Maguire	12,202	15,000
Professor Paul Boyle	2,904	-
	234,506	233,400

The remuneration of Dr Paul Feldman is for his role as chief executive officer rather than as a Trustee. The remuneration of Professor David Maguire and Professor Paul Boyle is for their role as Chair. Professor David Maguire resigned as Chair on 20th May 2021 and Professor Paul Boyle was appointed Chair on 21st May 2021. The level of remuneration has been approved by the remuneration committee, and the articles of association of Jisc give express authority for their employment.

The charity Trustees were not paid nor received any other benefits from employment with Jisc or its subsidiaries in the year (2020: £nil), neither were they paid for professional or other services supplied to the charity (2020: £nil).

Reimbursement of expenses

No expenses were paid to Trustees during the year (2020: 9). Below is a breakdown by expenditure type:

	2021	2020
	£	£
Travel and subsistence	**-**	11,083

Key management personnel

The key management personnel of the Group comprise the Trustees, the chief executive officer, and 13 (2020:15) members of executive leadership team (ELT). The total remuneration and employee benefits of the key management personnel of the Group were £2,109,537 (2020: £2,068,397). Remuneration and pension contributions paid to members of the ELT during the year by role performed are shown below:

Role	**Remuneration £**	**Employer Pension £**	**2021 Total £**
Chief executive officer	219,400	-	219,400
Interim managing director, higher education (until 17.09.2021)	212,650	-	212,650
Chief technology officer	190,135	-	190,135
Managing director, customer & sales enablement	154,000	29,118	183,118
Chief financial officer	139,000	29,118	168,118
Deputy chief executive and chief operating officer (company secretary)	120,033	36,067	156,100
Executive director data analytics	120,600	25,236	145,836
Managing director, further education and skills	111,000	23,210	134,210
Executive director, marketing & communications (until 6.11.2020)	117,985	14,461	132,446
Chief of Staff	106,000	22,155	128,155
Executive director, digital resources	105,954	22,145	128,099
Executive director, e-infrastructure	104,692	21,879	126,571
Executive director, student services	91,000	18,990	109,990
Executive Director, Trust & Identity (until 31.12.20)	61,692	13,017	74,709
	1,854,141	255,396	2,109,537

Role	Remuneration £	Employer Pension £	2020 Total £
Chief executive	218,400	-	218,400
Chief technology officer	200,722	-	200,722
Chief commercial officer	165,819	25,171	190,990
Deputy chief executive and chief operating officer	128,278	36,067	164,345
Executive director, trust and identity	132,967	25,705	158,672
Executive director, marketing and communications	110,786	21,417	132,203
Executive director, data and analytics	104,887	21,888	126,775
Interim chief financial officer, chief of staff from 28/01/20	104,875	21,068	125,943
Executive director, digital resources to 31/07/20	101,478	20,417	121,895
Executive director, Jisc technologies	98,314	19,792	118,106
Managing director, further education and skills	94,203	19,730	113,933
Executive director, digital resources	82,441	15,078	97,519
Chief financial officer	76,962	16,239	93,201
Interim managing director, higher education	64,198	-	64,198
Interim director, sales enablement	41,400	8,735	50,135
Chief innovation officer to 01/12/19	41,920	7,192	49,112
Executive director, student services	22,500	4,748	27,248
Chair of the Jisc board	15,000	-	15,000
	1,805,150	263,247	2,068,397

The remuneration policy for the ELT is the same as the rest of the Jisc Group, i.e. subject to the same performance review cycle, ratings and approach to pay. A Jisc pay freeze was applied during 2020-21 (prior year pay related to performance with increments ranging from 0% to 4% for top performers).

The annual increase in total ELT remuneration was 1.6% (2020: 26%). In the year to 31 July 2021, the remuneration of the chief executive officer equates to 4.9 times the mean gross pay of Jisc group employees (2020: 5.7 times) due to growth in staff numbers and the consequent change to average staff pay over the year.

14. Staff and wages

	Group		Charity	
	2021 £'000	2020 £'000	**2021 £'000**	2020 £'000
Wages and salaries	38,881	36,571	28,711	22,918
Social security costs	3,840	3,598	2,820	2,244
Other pension costs	6,278	6,679	4,329	4,153
Redundancy and termination payments	363	104	363	104
	49,362	46,952	**36,223**	29,419

In addition, temporary staff costs of £1,036k (2020: £505k) for the group were incurred during the year.

By activity, the average monthly number of persons employed by the group and charity during the year is:

	Group		Charity	
	2021	2020	**2021**	2020
Management	55	43	47	35
Technical	634	552	399	280
Administrative	173	184	168	177
	862	779	**614**	492

Staff numbers have been reported on the basis of full-time equivalent hours.

The number of staff and gross salary and emoluments of staff whose remuneration was over £60,000 were in the following ranges:

	2021	2020
£60,001 - £70,000	73	53
£70,001 - £80,000	20	20
£80,001 - £90,000	14	15
£90,001 - £100,000	2	4
£100,001 - £110,000	5	5
£110,001 - £120,000	7	3
£120,001 - £130,000	1	2
£130,001 - £140,000	2	2
£140,001 - £150,000	1	0
£150,001 - £160,000	1	0
£160,001 - £170,000	0	1
£170,001 - £180,000	0	0
£180,001 - £190,000	1	0
£190,001 - £200,000	0	0
£200,001 - £210,000	1	1
£210,001 - £220,000	1	1
	129	107

The number of staff whose remuneration was over £60,000 to whom retirement benefits are accruing under:

	2021	2020
Money purchase schemes	2	1
Defined benefit schemes	120	101
	122	102

15. Intangible assets

Group	Customer contracts £000	Rights to electronic content £'000	Total £'000
Cost			
As at 1 August 2020	**7,093**	**20,130**	**27,223**
Additions	**-**	**-**	**-**
Reclassification	**(593)**	**593**	**-**
Disposals	**-**	**(7,058)**	**(7,058)**
As at 31 July 2021	**6,500**	**13,665**	**20,165**
Accumulated amortisation			
As at 1 August 2020	**-**	**16,995**	**16,995**
Disposals	**-**	**(7,058)**	**(7,058)**
Charge for the year	**650**	**936**	**1,586**
As at 31 July 2021	**650**	**10,873**	**11,523**
As at 31 July 2020	**7,093**	**3,135**	**10,228**
As at 31 July 2021	**5,850**	**2,792**	**8,642**

Assets were assessed in the year for impairment indicators and no impairment indicators have been noted. The disposals shown in cost and accumulated depreciation of £7,058k is an adjustment to provide a more accurate disclosure of the intangible assets acquired through business acquisition reflecting the net book value on acquisition.

Charity	Customer contracts £000	Rights to electronic content £'000	Total £'000
Cost			
As at 1 August 2020	593	1,107	1,700
Additions	-	-	-
Reclassification	(593)	593	-
Disposals	-	-	-
As at 31 July 2021	**-**	**1,700**	**1,700**
Accumulated amortisation			
As at 1 August 2020	-	-	-
Disposals	-	-	-
Charge for the year	-	170	170
As at 31 July 2021	**-**	**170**	**170**
As at 31 July 2020	593	1,107	1,700
As at 31 July 2021	**-**	**1,530**	**1,530**

16. Tangible assets

Group

	Freehold property £'000	Network Equipment £'000	IT Equipment £'000	Fixtures and Fittings £'000	Leasehold Improvements £'000	Total £'000
Cost						
As at 1 August 2020	7,269	53,591	2,787	1,346	5,204	**70,197**
Additions	-	5,678	128	4	146	**5,956**
Reclassification	-	-	-	-	-	**-**
Disposals	(94)	(990)	(117)	(231)	(1,047)	**(2,479)**
As at 31 July 2021	**7,175**	**58,279**	**2,798**	**1,119**	**4,303**	**73,674**
Accumulated Depreciation						
As at 1 August 2020	244	40,905	2,190	582	2,642	**46,563**
Adjustments	-	-	(8)	5	1	**(2)**
Charge for the year	358	8,369	331	100	212	**9,370**
Eliminated on disposal	(5)	(990)	(113)	(223)	(116)	**(1,447)**
As at 31 July 2021	**597**	**48,284**	**2,400**	**464**	**2,739**	**54,484**
Net book value at 31 July 2020	7,025	12,686	597	764	2,562	**23,634**
Net book value at 31 July 2021	**6,578**	**9,995**	**398**	**655**	**1,564**	**19,190**

Leasehold improvements disposals for the group and the charity included the resale of the Swindon data centre for £1.1m. Contractual completion date for the sale was 16 November 2020. Any residual profit from the sale is shown as part of loss and gains on disposal note 12)

Assets were assessed for impairment indicators in the year. No impairment indicators were noted.

Charity

	Freehold property £'000	IT Equipment £'000	Fixtures and Fittings £'000	Leasehold improvements £'000	Total £'000
Cost					
As at 1 August 2020	7,269	4,030	1,593	5,685	**18,577**
Additions	-	129	4	146	**279**
Reclassification	-	-	-	-	**-**
Disposals	(94)	(7)	(231)	(1,049)	**(1,381)**
As at 31 July 2021	7,175	4,152	1,366	4,782	**17,475**
Accumulated Depreciation					
As at 1 August 2020	244	3,433	829	3,123	**7,629**
Adjustments	-	8	5	1	**14**
Charge for the year	358	315	100	212	**985**
Eliminated on disposal	(5)	(3)	(223)	(116)	**(347)**
As at 31 July 2021	597	3,753	711	3,220	**8,281**
Net book value as at 31 July 2020	7,025	597	764	2,562	**10,948**
Net book value as at 31 July 2021	**6,578**	**399**	**655**	**1,562**	**9,194**

17. Investments

The Group held investments at 31 July 2021 of £68,740k (2020: £56,424k) made up of investments in funds of £67,897k (2020: £56,169k), other equity investments of £643k (2020: nil) and investment in affiliates of £200k (2020: £255k).

An unrealised gain of £12,240k (2020: loss of £1,988k) has been reported due to the change in value of investment funds held during the year.

Group	Total £'000
Investment funds	
As at 1 August 2020	56,169
Additions	-
Disposals at opening market value	(511)
Unrealised gain on investments	12,240
Investment funds as at 31 July 2021	**67,898**
Other Equity Investments	
As at 1 August 2020	-
Additions	83
Reclassified as Other Equity Investment	600
Disposals	(21)
Provision for impairment	(20)
Other Equity Investments as at 31 July 2021	**642**
Investments in affiliates	
As at 1 August 2020	255
Additions	-
Provision for impairment	(55)
Investments in affiliates as at 31 July 2021	**200**
Total investments as at 31 July 2020	56,424
Total investments as at 31 July 2021	**68,740**

Charity	Total £'000
Investment funds	
As at 1 August 2020	56,169
Additions	-
Disposals at opening market value	(511)
Unrealised gain/(loss) on investments	12,240
Investment funds as at 31 July 2021	**67,898**

Charity	Total £'000
Other Equity Investments	
As at 1 August 2020	-
Additions	83
Reclassified as Other Equity Investment	600
Disposals	(21)
Provision for impairment	(20)
Other Equity Investments as at 31 July 2021	**642**
Investments in subsidiaries and affiliates	
As at 1 August 2020	32,144
Additions	-
Provision for impairment	(55)
Investments in subsidiaries and affiliates as at 31 July 2021	**32,089**
Total investments as at 31 July 2020	88,313
Total investments as at 31 July 2021	**100,629**

Investment Funds

As at 31 July 2021 Jisc and the Group held the following investments funds which are stated at their market value at the balance sheet date:

Fund	No of units	Price[6] £	Total 2021 £'000
L&G Future World Climate	70,300,128	0.691	48,557
Ruffer Global Funds	5,760,056	1.636	9,425
Savills Investment Management	5,739,140	1.262	7,241
Managed by Rathbone Investment Management Limited:			
Government Bonds and Invested Cash			622
Equity Risk Investments			1,460
Diversified Fund Investments			593
Other Equity Investments			
Emerge Venture Partners I LP Investment			401
Angel Investments			241
Investments in affiliates by company			
Unitu Limited			200
			68,740

[6] Unit price rounded to 3 decimal places

Holdings as at 31 July 2020 were as follows:

Fund	**No of units**	**Price £**	**Total 2021 £'000**
L&G Future World Climate	700,300,128	0.540	37,983
Ruffer Global Funds	5,760,056	1.433	8,257
Savills Investment Management	5,736,140	1.227	7,044
Managed by Rathbone Investment Management Limited:			
UK Government Treasury Bonds	186,000	1.343	250
Overseas Index Linked Govt Bonds	520,000	0.620	322
Rathbone UK Unit Trust Ethical	220,000	1.049	231
Brown Advisory Funds US	14,000	13.516	189
Other Rathbones managed funds <£150k			1,382
Other equity investments			511
			56,169

The investments managed by Rathbone Investment Management Limited were transferred at fair value following the merger with Eduserv.

Investment in subsidiaries and affiliates

Jisc holds investments in subsidiaries and affiliates as part of its charitable activities. Investments in subsidiaries and affiliates are accounted for at the lower of cost or underlying net realisable value.

Throughout the year, Jisc held investments in its subsidiaries, Jisc Services Limited and Jisc Commercial Limited. The subsidiary Jisc Liberate Managed Services Limited was dormant from 1 May 2020 and the subsidiary Eduserv Commercial Limited was dormant from 31 July 2020.

During the prior year 2020, Jisc also acquired the following interests: Jisc became the sole member of HECSU (charity and company limited by guarantee) for consideration of nil. All assets and liabilities of HECSU were transferred to Jisc on the 1 May 2020.

The registered office addresses of all the charity's investments are:

Name	**Registered office address**
Jisc Services Limited	4 Portwall Lane, Bristol, BS1 6NB
Jisc Commercial Limited	4 Portwall Lane, Bristol, BS1 6NB
Placer Limited	Studio 10 Tiger House, Burton Street, London, WC1H 9BY
Unitu Limited	Unit 4 Bramber Road, London, W14 9PW
Higher Education Careers Services Unit	4 Portwall Lane, Bristol, BS1 6NB
Graduate Prospects Limited	4 Portwall Lane, Bristol, BS1 6NB
Eduserv	4 Portwall Lane, Bristol, BS1 6NB
Eduserv Commercial Limited	4 Portwall Lane, Bristol, BS1 6NB
Jisc Liberate Managed Services Limited	4 Portwall Lane, Bristol, BS1 6NB

The charity holds greater than 20% interests in the following companies:

	Country of registration	Activity	% Holding of Issued Share Capital or guarantees	Turnover £'000	Expenditure interest & tax £'000	Operating surplus / (deficit) £'000	Assets £'000	Liabilities £'000	Funds £'000
Eduserv	England & Wales	Charity that provides information technology service activities	100%	-	-	-	-	-	-
Eduserv Commercial Limited	England & Wales	Provides information technology service activities	100%	-	-	-	-	-	-
Jisc Services Limited	England & Wales	Development and maintenance ofthe Janet network and connected services and provision of digital content for the education and research sector	100%	184,015	(184,014)	-	46,278	(39,665)	6,613
Jisc Commercial Limited	England & Wales	Provides public enterprise with access to JISC's infrastructure	100%	8,765	(7,392)	1,373	2,595	(1,204)	(1,391)
Jisc Liberate Managed Services Limited	England & Wales	Provides information technology service activities	100%	-	-	-	-	-	-
Placer Limited	England & Wales	Provides a national platform for student work placements	36.8%	64	(311)	(247)	167	(396)	(229)
Unitu Limited	England & Wales	Provides information technology service activities	22%	133	(100)	33	129	(47)	82
HECSU	England & Wales	Student services	100%	-	-	-	-	-	-
Graduate Prospects	England & Wales	Student services	100%	-	-	-	-	-	-

18. Debtors

	Group		Charity	
	2021	2020	**2021**	2020
	£'000	£'000	**£'000**	£'000
Trade debtors	16,905	11,551	2,798	1,165
Amounts owed by group undertakings	-	-	606	963
Other taxation & social security debtor	25,082	-	25,082	-
Other debtors	585	557	155	247
Prepayments	34,750	37,662	1,406	2,534
Accrued income	4,021	2,171	2,516	1,267
	81,343	51,941	**32,563**	6,176

Trade debtors are reviewed for impairment and are shown at their amortised cost. An impairment provision of £564k has been recognised in the year (2020: nil) and has been charged to charitable activities expenditure (£357k) and other trading activities (£207k) in the Statement of Financial Activities. No impairment provisions are recognised against charity debtors (2020:nil).

The other taxation & social security debtor relates to the recovery of input VAT from previous years on costs incurred on providing the Janet network, (note 33).

Amounts owed by group undertakings:

	Charity	
	2021	2020
	£'000	£'000
Jisc Commercial Limited	**606**	166

19. Creditors: amounts falling due within one year

	Group		Charity	
	2021	2020	**2021**	2020
	£'000	£'000	**£'000**	£'000
Trade creditors	15,921	11,733	316	1,077
Amounts owed to group undertakings	-	-	15,948	31,270
Other taxation & social security	1,036	(6,941)	1,031	(5,425)
Other creditors	2,548	1,422	1,374	1,293
Accruals	9,844	20,096	7,663	6,339
Deferred income (note 20)	41,470	36,779	1,360	1,330
Net Chest creditor	5,625	10,213	-	-
	76,444	73,302	**27,691**	35,884

Included within other creditors is an amount owed to pension funds of £889k (2020: £533k).

The debit balance on other taxation & social security in 2020 is a repayment due from HMRC of VAT on electronic material which is now zero-rated.

Amounts owed to group undertakings:

	Charity	
	2021	2020
	£'000	£'000
Jisc Services Limited	15,948	29,265
Eduserv Commercial Limited	-	2,005
	15,948	31,270

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

20. Deferred income

Income has been deferred where services or goods issued to beneficiaries have not been or are partiallyprovided. In addition, performance-related grants that are conditional upon the delivery of a specific level of service have been deferred where the conditions had not yet been met.

	Group		Charity	
	2021	2020	**2021**	2020
	£'000	£'000	**£'000**	£'000
Deferred income brought forward	36,779	29,000	1,330	3,621
Released in year	(36,779)	(29,000)	(1,330)	(3,621)
Deferred in year	41,470	36,779	1,360	1,330
	41,470	36,779	**1,360**	1,330

21. Provision for liabilities

	Group		Charity	
	2021	2020	**2021**	2020
	£'000	£'000	**£'000**	£'000
Pension provision (note 30)	13,966	14,548	13,891	14,447
Other provisions	610	1,385	610	353
	14,576	15,933	**14,501**	14,800
The above is analysed as follows:				
Due within one year	2,390	2,047	2,380	991
Due after more than one year	12,186	13,886	12,121	13,809
	14,576	15,933	**14,501**	14,800

Pension provision

The pension provision represents the group and charity recognising a liability in relation to its contractual obligation to contribute to covering the USS deficit.

The pension provision arises as follows:

	Group		Charity	
	2021	2020	**2021**	2020
	£'000	£'000	**£'000**	£'000
Due within one year	1,780	662	1,770	638
Due after more than one year	12,186	13,886	12,121	13,809
	13,966	14,548	**13,891**	14,447

Other provisions

	Group		Charity	
	2021 £'000	2020 £'000	**2021 £'000**	2020 £'000
Brought forward	1,385	159	353	159
Net Movement	(775)	1,226	257	194
Balance carried forward	**610**	1,385	**610**	353

Provision has been made for £610k of property lease dilapidations (2020: £150k).

22. Restricted income funds

Group

	2021 £'000	2020 £'000
Balance brought forward	12,266	15,223
Incoming resources	23,312	22,976
Resources expended	(17,457)	(19,883)
Fixed assets purchased and transferred to unrestricted funds	(5,562)	(6,050)
Balance to carry forward	**12,559**	12,266

Charity

	2021 £'000	2020 £'000
Balance brought forward	30,156	13,870
Incoming resources	23,192	22,165
Resources expended	(7,372)	(5,879)
Balance to carry forward	**45,976**	30,156

Restricted balances are held in cash. The cash is held within the subsidiary company bank accounts as during the financial year it acted as a central treasury management facility.

23. Unrestricted income funds

Group

			Designated funds	
	Total £'000	General unrestricted fund £'000	Grant funded assets £'000	Restructuring fund £'000
Balance b/fwd 1 August 2020	**76,932**	52,949	23,411	572
Net incoming resources	**13,424**	13,424	-	-
Unrealised gains	**12,386**	12,386	-	-
Transfers to general unrestricted fund from designated funds	**-**	5,024	(5,024)	-
Transferred from restricted	**5,562**	5,562	-	-
Balance c/fwd 31 July 2021	**108,304**	**89,345**	**18,387**	**572**

The designated fund labelled "grant funded assets" reflects the net book value of assets purchased using grants.

The restructuring fund is designated for future restructuring expenditure across the group.

Charity

	Total	General unrestricted fund	Designated funds Grant funded assets	Restructuring fund
	£'000	£'000	£'000	£'000
Balance b/fwd 1 August 2020	**51,389**	41,568	9,249	572
Net incoming resources	**31,758**	31,758	-	-
Transfers to general unrestricted fund from designated fund	**-**	1,771	(1,771)	-
Balance c/fwd 31 July 2021	**83,147**	**75,907**	**7,478**	**572**

24. Analysis of net assets between funds

Group

	Unrestricted Funds £'000	**Restricted Funds £'000**	**Total 2021 £'000**	Unrestricted Funds £'000	Restricted Funds £'000	Total 2020 £'000
Fixed assets	96,572	-	**96,572**	90,286	-	90,286
Current assets	102,752	12,559	**115,311**	75,881	12,266	88,147
Current liabilities	(78,834)	-	**(78,834)**	(75,349)	-	(75,349)
Non-current liabilities	(12,186)	-	**(12,186)**	(13,886)	-	(13,886)
Total	**108,304**	**12,559**	**120,863**	76,932	12,266	89,198

Charity

	Unrestricted Funds £'000	**Restricted Funds £'000**	**Total 2021 £'000**	Unrestricted Funds £'000	Restricted Funds £'000	Total 2020 £'000
Fixed assets	111,353	-	**111,353**	100,962	-	100,962
Current assets	13,986	45,976	**59,962**	9,513	30,156	39,669
Current liabilities	(30,071)	-	**(30,071)**	(45,277)	-	(45,277)
Non-current liabilities	(12,121)	-	**(12,121)**	(13,809)	-	(13,809)
Total	**83,147**	**45,976**	**129,123**	51,389	30,156	81,545

25. Operating lease commitments

The Group had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	Group		**Charity**	
	2021 £'000	2020 £'000	**2021 £'000**	2020 £'000
Land and buildings				
Not later than one year	1,442	1,510	1,442	1,510
Later than one year and not later than five years	4,718	5,032	4,718	5,032
Later than five years	2,256	3,348	2,256	3,348
	8,416	9,890	**8,416**	9,890

Jisc

26. Reconciliation of net expenditure to net cash inflow from operating activities

	2021 £'000	2020 £'000
Net expenditure for the reporting period (as per Statement of Financial Activities)	**(1,650)**	9,803
Adjustments for:		
Interest	(217)	(400)
Loss on disposal of fixed assets	(97)	39
Write off investments	41	200
Depreciation on tangible fixed assets	9,370	10,720
Amortisation of intangible assets	1,586	1,023
Increase in debtors	(6,038)	(6,784)
Decrease in creditors and provisions	(540)	(697)
Gift of new entity (at fair value of net assets)	-	(7,288)
Net cash provided by operating activities	**2,455**	6,616

Analysis of net funds

	Group		**Charity**	
	2021 £'000	2020 £'000	**2021 £'000**	2020 £'000
Cash at bank and in hand	**8,370**	17,195	**1,801**	6,080
Cash equivalents	**25,598**	19,011	**25,598**	19,012
Total cash and cash equivalents	**33,968**	36,206	**27,399**	25,092

The investment write off in 2020 relates to Jisc Liberate Managed Services Ltd which became dormant on 1 May 2020.

27. Members liability

Jisc is a charitable company limited by guarantee (CLG). The constitution allows for two classes of membership. One class comprises Representative Members, which includes the original members and guarantors - the Association of Colleges, Guild HE and Universities UK. Each of these Representative Members holds 30% of the voting rights. The other class of membership, in place from 1 August 2014, comprises Institutional Members, who together hold 10% of the voting rights. The liability of each member (both Institutional and Representative) is limited to a maximum of £1. This liability will apply for the duration of membership of the charitable company and for one year beyond the end of membership.

28. Results of the charity

	Unrestricted fund £'000	**Restricted fund £'000**	**Total 2021 £'000**	Total 2020 £'000
Total incoming resources	**99,950**	**23,191**	**122,781**	91,323
Net surplus	**31,758**	**15,820**	**47,578**	7,170

29. Related parties

Year ended 31 July 2021	I&E		Balance sheet	
	Income	Expenditure	Debtors	Creditors
	£'000	£'000	£'000	£'000
Advance HE	27	7	4	-
Aptum Technologies & associated entities	3	-	-	-
Association of Colleges	-	21	-	-
Birkbeck College	142	-	8	10
Coventry University	569	8	252	-
Dumfries & Galloway College	9	-	21	-
EPSRC	2	-	-	-
GEANT	286	1,356	-	17
Glasgow School of Art	20	-	1	11
Grimsby Institute of Further and Higher Education, part of the TEC Partnership	152	-	-	-
GuildHE	3	-	-	-
HEANet	153	-	38	-
HESA Services Limited	104	831	-	120
Higher Education Funding Council for Wales	2,098	-	50	-
Higher Education Policy Institute	1	-	-	-
IDP-Connect	17	-	-	-
National Star Foundation	-	-	6	-
Office for National Statistics	4	-	9	-
Oxford Brookes	344	6	62	-
Oxford International Education Group	2	-	2	-
Pearson College Governing Body	26	83	-	-
Royal Holloway, University of London	512	2	108	-
Scottish Qualifications Authority	-	-	1	-
Staffordshire University	228	10	107	-
Stichtung OA Switchboard	-	53	-	-
Swansea University	919	75	58	45
The Russell Group of Universities	7	-	-	-
Tribal Group	3	-	4	-
UCAS	2	-	13	-
UCEA	5	-	-	-
Universities UK	3	20	2	-
University College of Estate Management	21	-	4	-
University of Dundee	906	43	603	14
University of Essex	1,580	7	270	2
University of Oxford	2,248	32	91	31
University of Southampton	1,599	6	33	-
West London College	62	-	61	-
	12,057	2,560	1,808	250

Year ended 31 July 2020	I&E		Balance sheet	
	Income	Expenditure	Debtors	Creditors
	£'000	£'000	£'000	£'000
Abertay University	136	-	-	65
Advance HE	16	-	12	-
Amazon Web Services	-	739	-	-
Aptum Technologies	-	-	7	-
Association of Colleges	-	-	-	3
Association of Graduate Careers Advisory Services (AGCAS)	-	106	-	-
Birkbeck College	152	-	31	48
EPSRC	1,304	-	-	-
Forth Valley College	20	-	-	1
GEANT	671	1,587	6	32
Grimsby Institute of Further and Higher Education	58	-	6	1
HEANet	131	-	29	-
Higher Education Funding Council for Wales	1,997	-	-	-
HESA Services Limited	407	559	438	66
Higher Education Policy Institute	1	-	-	-
Lancaster University	841	6	124	457
Leeds Beckett University	203	15	206	19
National Science Museum	7	-	-	3
Office for Students	28,268	-	-	1
Oxford Brookes University	286	7	100	168
Painless Security LLC	-	-	1	1
Pearson College Governing Body	7	27	11	211
Richmond Upon Thames College	17	-	5	-
Royal Holloway, University of London	426	-	35	264
Scottish Qualifications Authority (SQA)	1	-	-	-
Shibboleth Consortium	38	-	-	-
Staffordshire University	167	18	5	41
The Russell Group of Universities	1	-	-	-
The Universities and Colleges Employers Association	6	-	-	-
Tribal Group	4	-	-	-
University College of Estate Management	17	-	3	-
University of Dundee	662	43	183	290
University of Greenwich	300	9	115	103
University of London	103	4	20	38
University of Oxford	1,840	31	83	919
University of South Wales	403	1	12	156
University of Southampton	1,211	-	272	620
Universities UK	3	9	1	-
	39,704	3,161	1,705	3,507

Footnotes

EPSRC, HEFCW and Office for Students are listed as Related Parties. They provide grant funding as Jisc's funding bodies. EPSRC pay the Jisc grant from Research England.

30. Pension

Universities Superannuation Scheme

The company participates in the Universities Superannuation Scheme (the scheme). The assets of the scheme are held in a separate Trustee-administered fund. The company is required to contribute a specified percentage of payroll costs to the pension scheme to fund the benefits payable to the company's employees. The company is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS 102, accounts for the scheme as if it were a defined contribution scheme.

The latest available complete actuarial valuation of the Retirement Income Builder is at 31 March 2018 (the valuation date), which was carried out using the projected unit method.

Contributions for the year were £6,080k (2020: £6,679k). As the USS scheme is in deficit, thegroup recognises a liability in relation to its contractual obligation to contribute to covering this deficit. A provision of £13,966k (2020: £14,548k) was recognised on the group's balance sheet, a provision of £13,870k (2020: £14,447k) was recognised on the company's balance sheet.

The following table shows the movement in the USS pension provision:

	Group		**Charity**	
	2021	2020	**2021**	2020
	£'000	£'000	**£'000**	£'000
Brought forward	14,548	22,448	14,447	22,236
Fair value of acquired pension provision acquired	-	59	-	38
Deficit contribution paid	(667)	(534)	(665)	(531)
Unwinding of discount	106	360	106	357
Change in expected contributions	(21)	(7,785)	(18)	(7,653)
Balance carried forward	**13,966**	14,548	**13,870**	14,447

The deficit contribution paid represents Jisc's contribution to the reduction of the USS pension deficit perannum.

Since the institution cannot identify its share of USS Retirement Income Builder assets and liabilities, thefollowing disclosures reflect those relevant for those assets and liabilities as a whole.

The 2018 valuation was the fifth valuation for USS under the scheme-specific funding regime introducedby the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £63.7 billion and the value of the scheme's technical provisions was £67.3 billion indicating a shortfall of £3.6 billion and a funding ratio of 95%.

The key financial assumptions used in the 2018 valuation are described below. More detail is set out inthe Statement of Funding Principles.

Pension increases (CPI)	Term dependent rates in line with the difference between the fixed Interest and Index Linked yield curves, less 1.3% p.a.
Discount rate (forward rates)	Yrs 1-10: CPI + 0.14% reducing linearly to CPI - 0.73% Yrs 11-20: CPI + 2.52% reducing linearly to CPI + 1.55% by yr 21 Years 21 +: CPI + 1.55%

The main demographic assumption used relates to the mortality assumptions. These assumptions arebased on analysis of the scheme's experience carried out as part of the 2018 actuarial valuation. The mortality assumptions used in these figures are as follows:

2018 valuation

Mortality base table	Pre-retirement: 71% of AMC00 (duration 0) for males and 112% of AFC00 (duration 0) for females Post retirement: 97.6% of SAPS S1NMA "light" for males and 102.7% of RFV00 for females
Future improvements to mortality	CMI_2017 with a smoothing parameter of 8.5 and a long-term improvement rate of 1.8% pa for males and 1.6% pa for females

The current life expectancies on retirement at age 65 are:

	2018 valuation	**2017 valuation**
Males currently aged 65 (years)	24.4	24.6
Females currently aged 65 (years)	25.9	26.1
Males currently aged 45 (years)	26.3	26.6
Females currently aged 45 (years)	27.7	27.9

A new deficit recovery plan was put in place as part of the 2018 valuation, which requires payment of 2%of salaries over the period 1 October 2019 to 30 September 2021 at which point the rate will increase to 6%, until 31 March 2028. The 2020 deficit recovery liability reflects this plan.

The liability figures have been produced using the following assumptions:

	2021	**2020**
Discount rate	0.87%	0.73%
Pensionable salary growth	n/a	n/a

A further full valuation as at 31 March 2020 was in progress but not yet completed at 31 July 2021. The 2020 valuation was completed on 1 October 2021 and the impact of this valuation is disclosed as a non-adjusting post balance sheet event in note 34.

Civil Service pensions

Pension benefits, for a small number of employees who transferred from HEFCE, are provided through the Civil Service pension arrangements. Members may be in one of four defined benefit schemes; eithera final salary scheme (classic, classic premium or classic plus); or a whole career scheme (nuvos). The statutory arrangements are unfunded with the cost of benefits met by monies voted by parliaments each year. Pension's payable under the classic, classic premium, classic plus and nuvos are increased annually in line with pensions increase legislation. Employee contributions are salary-related and rangebetween 1.5% and 5.9% of pensionable earnings. The rate for employers' contributions range between 18.8% and 21.8% and is charged directly to the SOFA. Increases to employee contributions applied from April 2013.

Group and company contributions to this scheme in 2021 totalled £77k (2020: £80k).

Defined contribution

There is a defined contribution scheme operating within the group for a small number of employees who transferred from Janet. At the balance sheet date there were 2 active members. Contributions within the company amounted to £18k (2020: £22k) and group contributions were £25k in the year (2020: £29k).

From 1 May 2021 a new additional defined contribution scheme was introduced for new employees and existing employees wishing to transfer. At the balance sheet date there were 71 active members and contributions within the company amounted to £77k (2020: £nil) and group contributions were £81k (2020: £nil).

Contributions on these schemes are charged to the SOFA as incurred. This includes an amount of £17k (2020: £3k), outstanding at the balance sheet date. £2k (2020: £nil) of the contributions for these defined contribution planswere funded through restricted funds.

31. Taxation

As a registered charity, Jisc is entitled to certain tax exemptions on income and profits from investmentsand surpluses on any trading activities carried out in the furtherance of its primary objectives.

Neither the group nor charitable company had any deferred tax assets or liabilities (2020: nil).

32. Contingent assets and liabilities

The group has contingent liabilities of £nil (2020: £nil) in relation to grant commitments and £nil (2020:nil) in respect of restructuring liabilities.

The group had contingent assets of £nil (2020: £nil) in relation to capital grants. Grants are recognised when the likelihood of receipt is probable, and all performance-related conditions have been met and theamount can be measured reliably.

As Jisc makes both taxable and exempt supplies with respect to VAT, it applies a partial exemption special method to determine the amount of VAT which can be recovered on its inputs. During the year, Jisc agreed a claim totalling £20,979k, net of professional charges, with HMRC for the recovery of historic input VAT from previous years (see note 33). Based on the advice of their professional advisors, the directors consider that it is not probable that any further contingent asset or liability to VAT will arise.

33. Exceptional Item

The exceptional item is an expected refund of VAT paid in previous years. In 2018, a claim was submitted to HMRC which centred around whether VAT could be recovered on the provision of the Janet network. Prior to this, it was understood that input VAT could not be recovered on the basis that the activity was outside the scope of VAT. HMRC have now agreed, in principle, that VAT is recoverable to the extent that costs related to members or customers in the HE or commercial sector (FE members did not pay subscriptions until 2019-20) and VAT claims from 2012-13 onwards have now been resubmitted.

HMRC has agreed the claims for the first two years (2012-13 and 2013-14) and £7.8m was received in August 2021. The expected refund for all years under review (2012 – 2021) has been recognised (net of fees payable to external advisors) as the basis of the claim is agreed.

34. Post balance sheet event

At its meeting on 31 August 2021, the Joint Negotiating Committee (JNC) of the Universities Superannuation Scheme (USS) decided in favour of a package of changes put forward by Universities UK (UUK).

The primary elements of the package approved by the JNC are as follows:

- **Contributions**: the USS Trustee priced the UUK package at 31.2% of salary, which is 0.5% higher than current contribution levels – and the package decided on by the JNC incorporates default cost-sharing of the extra contribution so with employer contributions of 21.4% of salary (+0.3%) and member contributions at 9.8% (+0.2%). This is subject to a formal consultation on the Schedule of Contributions (SoC) and Recovery Plan for the 2020 valuation, followed by the formal consultation with employees and their representative bodies (which will take place from November 2021 to January 2022).
- **Changes to future benefits**: a pension accrual rate of 1/85th of salary (with 3x lump sum); a salary threshold for DB benefits of £40,000; indexation and revaluation (relating to future benefits which build up from the date of commencement of the changes) at CPI capped at 2.5% per annum; retaining DC contributions of an overall 20% of salary above the salary threshold.
- **Covenant measures**: debt monitoring, pari-passu measures which are activated when secured borrowing exceeds 10% of assets, and a rolling long-term moratorium on employers leaving the scheme without the USS trustee's consent for an initial term which will ordinarily run to 2043 (a period of 20 years from the next scheduled valuation in 2023.

The USS 2020 valuation was signed and filed with The Pensions Regulator with an effective date of 1 October 2021. The 2020 Valuation came into effect with a dual rate schedule of contributions:

- Leg 1, which includes a small increase in contribution rates from the 2018 Valuation and a longer deficit recovery period as a result of the decision to proceed with benefit change by the JNC subject to member consultation
- Leg 2, which includes more significant increases in contribution rates from the 2018 Valuation and shorter deficit recovery period, which only becomes applicable if the JNC recommended deed on benefit changes has not been executed by 28 February 2022.

For both legs of the 2020 valuation, the future service cost of funding the current benefits is different than it was under the 2018 valuation.

Deficit recovery contributions

As stated above, the deficit recovery contributions (DRCs) in the dual rate SoC differ in size and duration between the first and second legs.

In the first leg of the SoC:

- DRCs under the 2018 valuation (2% up to 30/9/2021) cease from 1 October 2021
- DRCs under leg 1 of the 2020 valuation commence from 1 April 2022 and include allowance for the fact that until 1 April 2022 the contributions payable under this leg of the SoC are less than the contributions required to fund the unchanged benefits accruing in that period.

- From 1 April 2022, when the proposed benefit changes are assumed to have been implemented, the DRCs are equal to 6.3% of salaries and are payable for the length of the recovery plan until 31 March 2038.
- The impact on the pension provision under the first leg would be an increase of **£26.2m** to **£40.2m.**

In the second leg of the SoC, which only becomes applicable if the JNC recommended deed on benefit changes has not been executed by 28 February 2022:

- DRCs commence from 1 October 2022 and include allowance for the fact that until 1 October 2022 the contributions payable under this leg of the SoC are less than the contributions required to fund the benefits accruing in that period.
- From 1 October 2022 DRCs commence at 3% then increase every 6 months (the difference between 37% required to fund future service cost and the total contributions being collected) until they reach 20% at 1 October 2025. They remain at this level until 31 July 2032. The higher DRCs and shorter recovery period reflect the lower level of covenant support provided under this leg.
- The impact on the pension provision under the second leg would be an increase of **£50.3m** to **£64.2m.**

35. Financial commitments

At 31 July, the group had the following capital commitments:

	2021 £'000	2020 £'000
Contracts for future capital expenditure not provided in the financial statements – equipment	745	1,196