Jisc Trustees' Report and Financial Statements

Year ended 31 July 2023

Charity registration number: 1149740

Company registration number: 05747339

Contents

Report from the chair

I am delighted to present our Trustees' Report and Financial Statements for the year ended 31 July 2023. The last year has been one of significant change for both Jisc and HESA, following the merger of the charities in October 2022. The merger has been an important step in enabling Jisc to become the digital, ***data*** and technology body for tertiary education and research in the UK.

The immediate focus post-merger, and not without its challenges, has been the delivery of the Data Futures project and the new HESA Data Platform. We are conscious that this project has required a major overhaul of existing practices, for both HESA and the higher education sector, resulting from a multi-year investment and a radically different data model. We continue to work closely with the statutory customers and data providers to overcome these challenges and will do our best to minimise the impact on key stakeholders.

In parallel, we have developed an ambitious Data strategy that maps out our future direction, including how we plan to deliver the business intelligence that our members and customers need.

Our focus on connectivity continues, with a successful proof of concept project on 5G technologies. A new service is being developed as a result, which will provide customers with increased data volume and speed, without the significant cost that usually accompanies 5G connectivity. 5G will provide faster, more reliable and smoother learning experiences for users, alongside the capacity and speed required to move vast amounts of data and enable real time analysis to support collaborative research. In addition, having worked with organisations across HE, FE and the public sector in the development phase, we have now launched a beta version of extending eduroam (formerly named 'edubox'), which provides reliable and seamless connectivity to the eduroam network via 4G/5G where a fixed network is not possible, and supports students while off campus and commuting to continue their studies.

We welcome the announcement of the UK's participation in Horizon Europe and ongoing membership for the remainder of the programme. Our work in support of international collaboration continues through helping to shape GÉANT's foresight study to understand the future development of National Research and Education networks, such as the Janet Network, over the next five to ten years.

Our cyber team continue to work diligently to ensure that the Janet Network is as secure as possible. Over the last year, Jisc has mitigated over 500 Distributed Denial of Service (DDoS) attacks against 92 member organisations, as well as providing vital support in 16 major business impacting cyber incidents. Extra layers of security protection against the ever-growing cyber security attacks on the sector have been introduced, including our cyber security threat monitoring service, which has been taken up by 30 customers while still in beta form. We continue to prioritise this work and have plans to launch additional new services soon. We have been approved as a national cyber security response centre, achieving cyber incident response level 2 accreditation which is a testament to the hard work of the team.

Our National Centre for AI continues to support our members through the publication of guides, reports and blog posts, alongside presentations at events and webinars, in response to increasing sector interest in understanding the impact of AI in education and research since the release of the widely-publicised ChatGPT. This is an area of work that will grow, with the integrity of such advances being a real focus.

I was pleased to be involved in a successful negotiation with Springer Nature this year, which has provided open access publishing and access to paywalled journal articles in all Springer titles, saving the sector €990k. Together with the sector, we have already successfully negotiated OA agreements with more than 65 publishers, from large commercial publishers such as Elsevier and Wiley to smaller, society publishers. These agreements mean that researchers can publish open access at no cost to them and at a sustainable cost to their institution, while supporting funder and government policies. We have been able to support the implementation of the UKRI open access policy, enabling over 96% of articles and 90% of journals to be compliant and eligible for UKRI open access funds.

Elsewhere we have been supporting members with digital transformation, including launching our HE Framework for digital transformation and Digital strategies in UK higher education report. Nearly two-thirds of the FE sector are using our FE Digital elevation tool, which includes access to resources and services to support the next steps on their digital elevation journey.

We continue our support of stakeholders across the UK with a significant contribution and support for Wales Digital 2030, including quality assurance of college digital strategies, and delivering an FE cyber posture and enhancement programme. In Scotland, we are working towards a co-designed Digital strategy and vision for tertiary education as a whole, which may be relevant to Wales in the future when the new Commission for Tertiary Education and Research (CETR) is launched.

There has been a significant focus on sustainability in the last year and I am pleased to report we have published our first annual sustainability report. Our aim is to develop a programme to embed sustainability across the organisation to measure and report collective impact. We will also deliver projects for the benefit of our customers, including collaboration with the FE and HE sectors on initiatives to understand the environmental impact of IT/digital in both their operations and supply chains.

We have also been investing in our processes to provide a smoother experience for customers, including reducing wait times for support, improving first time resolution rates and providing all Jisc staff with customer experience training. Our ongoing focus on the customer experience continues to show through our customer satisfaction scores, at 94% for FE and 86% for HE, with 95% of FE and 93% of HE regarding us as a trusted partner.

Through the next year we will continue to deliver against the three pillars of our strategy; delivering the right solutions, empowering communities and being a force for good. We will continue to focus on the products and services that our members and customers need to deliver against their own priorities, including exploring the potential for new shared services, and collaborative opportunities to help to support ongoing financial pressures faced by providers across tertiary education.

As ever, I wish to offer the thanks of everyone on the Board to Jisc colleagues who have continued to work so diligently through the course of the year. I am confident that this high level of support will continue and Jisc will remain a reliable and trusted partner for digital, data and technology.

Professor Paul Boyle, CBE

Jisc chair

November 2023

Strategic report

The trustees present their strategic report for the year ended 31 July 2023.

Our vision and purpose

Jisc is the UK digital, data and technology agency focused on tertiary education, research and innovation.

We are a not-for-profit organisation and believe education and research improves lives and that technology improves education and research.

We provide managed and brokered products and services, enhanced with expertise and intelligence to provide sector leadership and enable digital transformation.

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

Our purpose: to improve lives through the digital transformation of education and research

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

Our overarching aim is to be THE trusted partner in digital transformation.

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 collection and analytics** – address strategic challenges through data
- **Advice and guidance** – guides, training and consultancy

Key activities and achievements 2022-23

HESA merger

On 4 October 2022, we merged with HESA (Higher Education Statistics Agency) and expanded our remit to become the UK's digital, data and technology agency. We had been exploring a merger with HESA following the Bell Review of 2017 which recommended consolidation among sector bodies. With Jisc's role as the digital and technology body there were natural synergies with HESA's role as a data body and opportunities to streamline and enhance support for the sector, while reducing costs.

The merger came after consultation with the sector and the agreement of the Department for Education, that HESA's legal status as the sector's Designated Data Body (DDB) for England could be transferred to Jisc. This merger means the responsibility for collecting and publishing statutory data (about students, graduates, staff, finance, knowledge exchange and estates) for all HE providers across the UK now lies with Jisc. In August 2023, Jisc was added to the list of non-UK government bodies whose published statistics are specified as 'official statistics' under the Statistics and Registration Service Act 2007.

A new Data collection and statistics oversight board[1] was established following the merger to provide effective oversight of the data collection and statistics directorate and ensure that obligations under the HE and Research Act 2017 (HERA) and to Jisc's statutory customers and data subjects, are met with due regard to the requirements of the devolved administrations. The Oversight board has an important role to play in ensuring that the statutory business, including that of the Designated Data Body, is conducted within an environment of openness, honesty and integrity. Membership of the Oversight board is drawn from key stakeholder organisations and is chaired by Professor Sir Chris Husbands, a Jisc trustee and former chair of HESA.

Upon the merger, HESA staff transferred to Jisc and formed a new data collection and statistics directorate. Rob Phillpotts, who led HESA as CEO since November 2021, leads the directorate and joined Jisc's executive leadership team as Jisc's chief data officer.

In support of the data collection, validation, continuity and quality checks conducted to deliver high quality data about the HE sector, a significant focus has been on a new data model and the development and launch of the HESA Data Platform (HDP). The HDP is a software platform that enables the collection, assurance, and dissemination of large volumes of data. It was designed to replace a platform which was no longer fit for purpose and is more secure. It is also capable of adding functionality to prepare for future requirements. HDP was launched in April 2023 for interim data submissions with full returns to be submitted via the platform in November 2023. There has been a delay from the anticipated timeframe for collecting student data returns and we have been working closely with OfS and funders in the devolved administrations to mitigate the impact on providers.

Alongside the sector data role, the directorate also runs the UK's largest annual social survey, Graduate Outcomes, which surveys approximately 800,000 HE graduates each year. The survey achieves a strong response rate of 53-54% and work is underway to seek to improve this further. A range of open data products, statistical bulletins and other research outputs are also produced by the team. Open data

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[1] **https://beta.jisc.ac.uk/about-us/structure-and-governance**

products are a key area which has seen an increase in focus in recent years, with some 200 open data assets plus statistics bulletins and research products available online.

Our Data strategy is currently in development and touches on some key issues we need to address including maintaining UK coherence with changing policies in the nations, extending our reach to include FE and adding value to the services we offer. Part of our Data strategy includes investment in the modernisation of data collection and data publication, building on the HDP to deliver the same capability upgrades.

Network and cyber security

With 18 million users, 10,000km of backbone fibre and seven petabytes of data crossing the Janet Network every day, Janet continues to be developed in line with demand, maintaining rolling availability averaging over 99.9%. We've increased capacity to key service and content providers such as Google, Microsoft and Amazon. We've upgraded our connectivity with GÉANT to enable increased collaboration with global research and education networks. Our regional access network infrastructure continues to develop with builds completed in the North East, North West and East Anglia regions, bringing members increased capacity and resilience. Service enhancements are being developed to improve speed of provision, reduce costs and increase functionality. Where network equipment has been upgraded, older redundant equipment has been repurposed or resold, with none disposed of as waste.

Our cyber security focus is ongoing, with 509 Distributed Denial of Service (DDoS) attacks targeting 92 individual members being successfully mitigated and 16 major business impacting cyber incidents supported by our team. Work is underway to develop outreach and engagement groups across the sector, and supporting and upskilling the sector with consistent cyber security training programmes. We launched the Cyber Security Threat Monitoring service in June 2023 with two further cyber services due in 2023-24.

Organisational changes

Our Group Chief Technology Officer directorate, which develops new products and provides technology leadership to the organisation and our members, has been restructured, to ensure it provides the very best service to its internal and external customers. Part of the change implemented is the provision of the Jisc service desk 24 hours/7 days a week to provide proactive monitoring of the Janet Network, resolution of network incidents and loss of connectivity to member sites.

Across the business, we've implemented a customer experience learning programme designed specifically for Jisc and our context to ensure we have the right processes and mindsets to continue to deliver professional, organised and high-quality interactions with customers, whether that's relationship, service or product led. We've used a train-the-trainers approach which means that colleagues from across the organisation are leading the learning experience and working with colleagues with good knowledge of our structures and processes.

We are holding ourselves to well-established and high standards, having achieved an organisation-wide certification of Cyber Essentials and a successful organisation-wide focus on maintaining our ISO 9001

(Quality management) and ISO27001 (Information security management) certifications. Further activity will be undertaken over the coming year to enhance our information and data governance.

Key achievements

Some of our key achievements through the year to deliver our 2022-25 strategy are below.

Delivering the right solutions	The merger with HESA with a view to supporting sector-wide transformation for HE data Mitigation of 509 Distributed Denial of Service (DDoS) attacks on 92 member organisations Janet backbone rolling capacity increases in line with demand Completion of regional access network infrastructure in the North East, North West and East Anglia with members benefitting from increased capacity and resilience Successful proof of concept for delivery of Janet over 5G Launch of **extending eduroam** (formerly known as edubox) in beta form, extending the eduroam network to off-campus spaces Levelling up programme for network connectivity in FE Supporting the implementation of the UKRI Open Access policy, enabling over 96% of articles and 90% of journals to be compliant and eligible for UKRI funding Supporting members with digital transformation, including launching our **HE framework for digital transformation** and **Digital strategies in UK higher education report** Delivering our **FE Digital elevation tool**, utilised by almost two-thirds of the FE sector Delivering a smoother experience for customers leading to 94% satisfaction from our FE customers and 86% from HE customers

Empowering communities	Scoping and setting up new communities around UK XR (extended reality), Heidi+ and transnational education licensing services Supporting maturing communities such as FE learning resources, Wales XR, digital research and cyber security Supporting 51 Regional Forums for the benefit of FE IT, Learning Resource Centres and Teaching and Learning staff

	Hosting flagship events for our sectors including Digifest Hello Innovator, Networkshop, Security Conference and Connect More National Centre for AI (Artificial Intelligence) working directly with our communities to offer advice and guidance Significant input to the Russell Group's published AI Principles

Be a force for good	Providing subject specialist support to the sector on sustainability including Vision for Sustainable Change workshops and self-service advice in the form of online reports, guides, and blog articles Advanced a pilot project in our Bristol office to understand how buildings in the sector can be optimised to meet net zero targets Aligned our sustainability impact to the UN Sustainable Development Goals and delivered our first **annual Sustainability report** Supporting an inclusive workplace, with nine employee-led diversity inclusion networks (including neurodiversity, LGBTQIA+, faith and ethical belief, menopause) Supporting colleagues to volunteer for good causes, with 29% of staff taking a volunteer day (321 days across the organisation)

Our strategy

Our overarching aim remains the same - to be THE trusted partner for digital transformation. We have three priorities:

i. **Delivering the right solutions** – Ensuring that the focus on members is clear.

ii. **Empowering communities** – Highlighting the value of Jisc in convening communities.

iii. **Be a force for good** – Focused on participation in the global community and sustainability in terms of environmental issues, financially and people, with a focus on people as a key asset.

Key achievements against each priority in 2022-23 can be found above. In 2023-24, we'll be continuing our focus on these priorities, including:

Delivering the right solutions	Empowering communities	Be a force for good
i. We will launch new products in key areas identified from our product roadmap ii. We will seek to maintain or improve customer satisfaction	i. We will provide the data infrastructure to support the evolving needs of funders and expand the data products that our members need	i. We will be an exemplar and thought leader in cyber for the HE and FE sectors ii. We will be on track to achieve net zero for Scope 1 and 2 emissions and some Scope 3

and advocacy for Jisc of our HE and FE members

iii. We will achieve a growth in sales across a wider customer base to allow further investment in core and new services for our members

ii. We will deliver positive member impact through convening the sectors on key and emerging topics in the data, digital and technology space

iii. We will continue to be the trusted sector agency for digital, data and technology

emissions by 2040, helping our members reduce their own emissions

iii. We will be recognised as the trusted partner on digital, data and technology for the sector in support of our members international ambitions

Stakeholder engagement and Companies Act section 172 statement

As the UK digital, data and technology agency focused on tertiary education, research and innovation, our stakeholders include the UK research, higher and further education sectors, our core funders and wider customer base. As an organisation working for the benefit of others, we know that our staff are a key asset and are core to what we deliver.

Our merger with HESA and the subsequent designation of Jisc as the Designated Data Body (DDB) and a producer of official statistics broadens our stakeholder base still further, to encompass all those additional users of the data we gather and publish. With the designation as the DDB, our stakeholder relationship with the OfS has developed to incorporate previous HESA oversight. The decision to merge was taken only once the benefits and risks of a mechanism to achieve a merger were clear and the board were comfortable to proceed on the basis that a merger was in the best interests of the organisation and would bring value to its members. An active review of the realisation of benefits will be conducted to ensure that the merger has delivered as expected for stakeholders.

Our strategy for 2022-25 brings a very clear focus on meeting the needs of our stakeholders. The strategy was considered in the context of the HESA merger and remains appropriate across Jisc's wider activities. Our three priorities reflect the ways in which our strategy supports our stakeholders. In *delivering the right solutions* we will meet the needs of our members and customers, their staff and students. Our aim to *empower communities* reflects the consistent feedback that Jisc enables and adds value by being proactive in key areas of importance to our members. Our focus on being a *force for good* reflects how we are working towards being a sustainable organisation, for the benefit of our stakeholders and the global community.

Sector engagement is a fundamental part of what we do. Our annual flagship event, Digifest provides a forum for stakeholders to hear about the latest innovations in learning, teaching and assessment, leadership and culture, and research. Our focused events such as Networkshop and Connect More bring additional opportunities to engage across key stakeholder groups. Our annual stakeholder strategic updates, held across the nations, provide a unique opportunity for our members to reflect on our achievements in the previous year, hear about and feed into future plans and crucially, share the challenges they are facing where Jisc can help.

Our community forums are focused around mature as well as new areas of interest, inspiring our members, facilitating collaboration and sharing good practice. We also actively engage with our sectors via working groups and advisory boards on key activities such as publisher negotiations. Facilitating these discussions means that we have a close and productive relationship with colleagues in key roles within our member organisations.

The application of an improved product lifecycle approach means that we deliver products that are fit for purpose and we engage members in pilot services and employ partnership working to deliver at pace and to scale.

Along with our increased focus on the customer experience through our organisation-wide learning programme, our focus on meeting our members needs is stronger than ever. This is reflected in the leadership surveys conducted each year which show 94% satisfaction amongst our FE customers and 86% from HE customers, with 95% of FE and 93% of FE viewing us as a trusted partner.

We have worked with and in support of our funders in a number of ways. For example, we have supported the implementation of the UKRI Open Access policy, enabling over 96% of articles and 90% of journals to be compliant and eligible for UKRI funding. We were commissioned by the Welsh government to produce a report to support FE institutions in developing strategic digital learning plans, following the Digital 2030 call to action. We have also been a key contributor to the government's response to the Reducing Bureaucracy review.

Our staff are recognised as a key asset as well as a stakeholder. As the HR strategy approaches the end of it's first three-year plan, our new HR strategy will be launched with a further focus on employee experience and development. The board have had opportunities to engage directly with Jisc's staff including hearing the experiences of those on Jisc's graduate programme and trustees attend the Jisc all staff conference, allowing an opportunity to engage with Jisc staff and respond to their questions and comments.

Our annual staff engagement survey continues to provide insight to the issues that are important to our staff: action plans are developed at organisation and team levels to address challenges where they exist. One of our strategic targets for 2023-24 is to build on our employee value proposition and have staff advocate for Jisc as a great place to work.

Charitable purpose and public benefit

As a charity, our purposes must be exclusively charitable.[2] 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.

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

Jisc

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 2023 £'000	Restricted funds 2023 £'000	Total funds 2023 £'000	Total funds 2022 £'000
Donations and grants	53,358	20,221	73,579	71,970
Income from charitable activities	23,746	247	23,993	18,205
Income from trading with members	18,413	45	18,458	16,207
Income from other trading activities	27,028	-	27,028	22,832
Investment income	717	-	717	296
Income	**123,262**	**20,513**	**143,775**	**129,510**
Expenditure from charitable activities	64,127	8,850	72,977	44,766
Expenditure from trading with members	64,228	10,692	74,920	73,409
Other trading activities	2,922	-	2,922	4,355
Grants	(48)	41	(7)	134
Other (gains)/losses	(757)	-	(757)	357
Expenditure	130,472	19,583	150,055	**123,021**
Net (expenditure)/income before movement in pension provision	**(7,210)**	**930**	**(6,280)**	**6,489**
Movement in pension provision	1,700	-	**1,700**	(16,812)
Net (expenditure)/income	**(5,510)**	**930**	**(4,580)**	**(10,323)**
Transfers between funds	5,163	(5,163)	**-**	-
Other unrealised gains/(losses)	931	-	931	3,302
Gift of reserves from HESA	-	2,149	2,149	-
Net movement in funds for the year	**584**	**(2,084)**	**(1,500)**	**(7,021)**

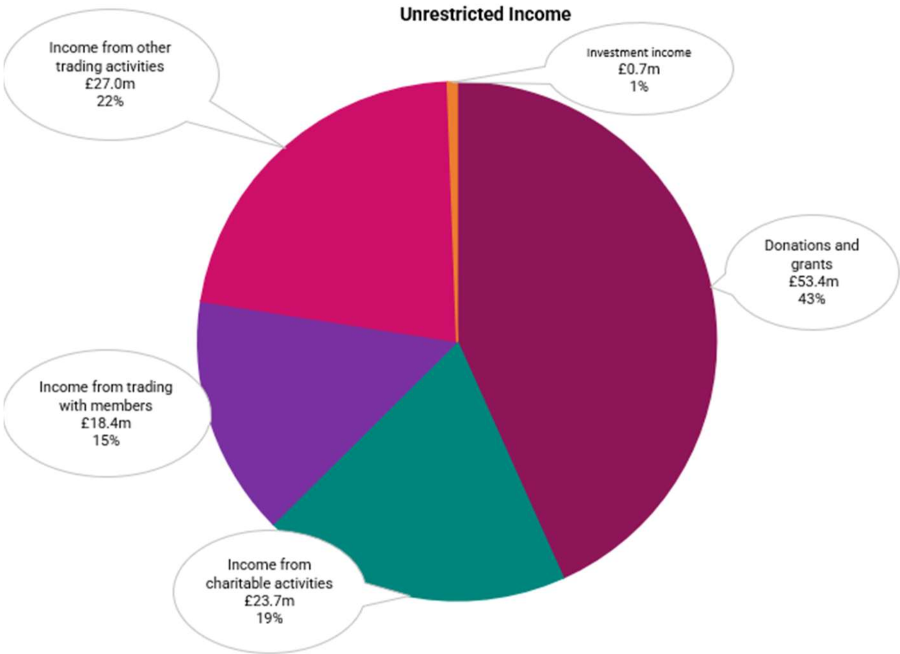
	2023 £'000	2022 £'000
Fixed assets	**104,908**	**106,518**
Current assets	98,832	86,719
Creditors falling due in less than one year	(59,740)	(46,749)
Provisions for liabilities	(3,322)	(3,902)
Net current assets	**35,770**	**36,068**
Provisions for liabilities falling due in more than one year	(28,336)	(28,744)
Total net assets	**112,342**	**113,842**
Restricted reserves	8,735	10,819
Unrestricted reserves	103,607	103,023
	112,342	**113,842**
Cash and cash equivalents	**64,802**	**50,712**

Consolidated income and expenditure

The net movement in funds in the year is a deficit of £1.5m compared to a deficit of £7.0m in 2021-22 and total funds carried forward are £112.3m.

Income

Total income has increased by 11%, from £129.5m in 2021-22 to £143.8m in 2022-23, with a small decrease in restricted income being offset by a £14.5m increase in unrestricted income (13%).



Donations and grant income consist of restricted and unrestricted funding from the higher and further education funding bodies across the United Kingdom. Core funding remained the same as in the previous year and additional grants have been received for specific projects including Data Futures (OfS), Open Access (Research England) and digital teaching and learning projects in the nations.

Other unrestricted income reflects the services which Jisc now offers, including the main member subscription, and non-charitable income has been split between members and non-members. Overall, other income has increased by £12.5m (22%), with £10.3m of this increase relating to ten months of the main HESA and Graduate Outcomes subscriptions since HESA became part of Jisc. We have also seen increases across connectivity, cloud and trust and identity activity, but did not increase our members' subscription, recognising the financial constraints across the sector.

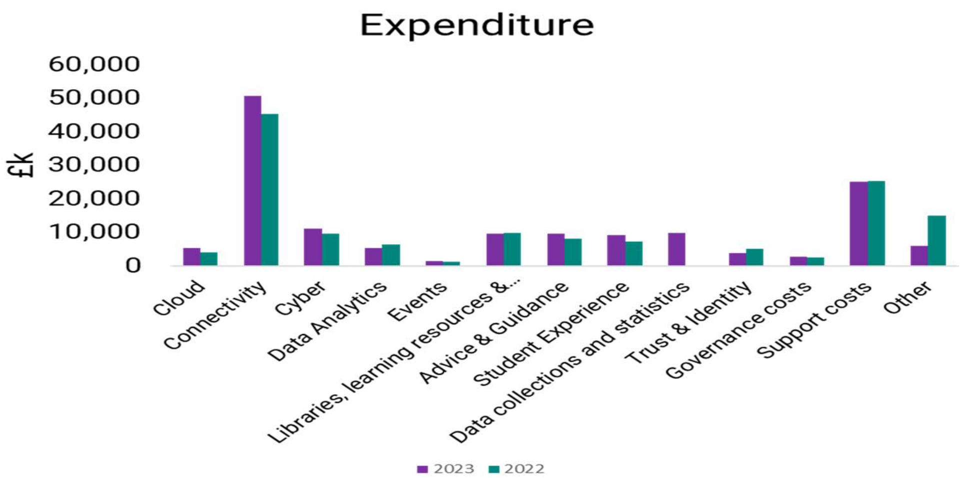
Connectivity remains the largest income stream, but this is a low margin activity and the majority of costs of the Janet Network are covered by the grant income from government funders. This income comes from members taking connections in addition to those provided under their subscription and from customers (ie non-members) buying connectivity from us, our members also purchase additional cyber products including penetration testing and consultancy. We are launching further services such as cyber threat management and security operation centres to help protect the sector against the increasing risk of cyber attacks.

Trust and identity services include verification services offered through OpenAthens and VerifID, both of which have strong growth plans and are non-member facing, giving Jisc diversification in both its customer base and internationally, with staff being employed in Singapore to provide a more local service to our customer in Asia and Australia.

Our cloud business resells services such as Azure and AWS through procured frameworks as well offering consultancy to members who are looking to move some of their activity into the cloud. Our libraries and learning resource income represents management charges Jisc takes on flowthrough licensing and collections purchases. Jisc has negotiated deals on behalf of our members and put in place frameworks which allow them to procure software and publications at a lower rate than they could obtain as a single institution. Members increasingly value this service and we are looking to expand it in the future. This flowthrough income is accounted for on an agency basis with the gross income being £163.1m (2022: £185.3m).

Prospects.ac.uk income includes the HEDD service (UK's official degree verification service) and the advertising of graduate recruitment schemes and university courses through the Graduate Prospects website. Data analytics income includes the sale of HEIDI Plus (higher education sector's leading data visualisation and analytics tool), tailored data-sets and online survey tools for education and research.

Expenditure



Overall, expenditure has increased by £9.8m (7%) of which £9.1m relates to spend on data collections and statistics reporting and the Data Futures project coming into Jisc as a result of the merger with HESA. Expenditure on charitable and trading activities with members is funded by our core grant as well as income from members and surpluses on our commercial activity.

Spend has increased on activities where we are investing to provide additional services and protections for our customers as part of the subscription, particularly connectivity and cyber, but also in areas where we have seen growth in income as members make more use of the negotiated rates we have obtained by negotiating on behalf of the sector, for example, cloud.

We have continued to centralise our software development resource and this is included in support costs (where IT spend has increased from £8.1m to £12.5m). This has reduced costs in trust and identity and data analytics. Software development also includes some resource on the Data Futures project which came into Jisc in October 2022 with the HESA merger.

Spend has also increased to support new products in data analytics and Group CTO as well as progressing major projects to improve our internal systems including licence subscription manager (LSM), customer relationship manager (CRM) and the finance system.

Depreciation and amortisation have remained fairly constant with the new useful economic life review undertaken in 2023 still being suitable for the assets we are holding, most of which relate to the Janet Network. This will be the last full year Jisc is based in Harwell, with a move to Milton Park planned for December 2023. This led to a small increase in the dilapidations provision as well as adding that for HESA's Cheltenham offices. This additional property has led to a small increase in rental costs for the year as well.

The increase in interest rates impacted the discount rate used to calculate the USS pension provision and £1.7m was released at the end of year. The 2023 USS valuation has not yet been completed, although indications are that the fund is in a significantly better position which may lead to a reduction in both employer and employee contribution rates and a change to the benefits offered as part of the scheme.

Staff salary costs (ie excluding pension and social security costs) have increased from £42.9m to £53.7m as the average number of staff has increased from 928 to 1,152, although the number of higher paid staff has reduced from 123 to 106. Spend on temporary staff (mainly contractors) has decreased from £1.1m to £0.4m as IR35 rules continue to change this market with longer term contractors moving onto fixed term staff roles.

The investment portfolio continued to perform well, with the downturns in Ruffer and Savills funds being offset by increases in LGIM and RLAM, giving a total unrealised gain of £0.6m. The increase in interest rates this year, along with higher cash balances, has led to an improvement in investment income from £0.3m to £0.7m.

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 50. This amounts to £5.2m (2022: £8.8m).

After the transfer between reserves and the unrealised gain on the portfolio but excluding the gifted reserves from the HESA merger (see note 34), there was a surplus on unrestricted activity of £0.6m (2022: £5.3m deficit) and a restricted deficit of £4.2m (2022: £1.7m deficit).

Balance sheet

Intangible assets include customer contracts (acquired as part of the HECSU merger), digital content assets and software licences. With in-year additions to software licences of £2.4m and amortisation for the year of £2.7m, net book value reduced from £12.4m to £12.1m. Digital content and customer contracts are written off over ten years with software licenses being written off in line with the contractual terms. Further detail can be found in note 14.

Tangible fixed assets have decreased by £2.1m, with additions of £3.0m being offset by disposals with a net book value of £0.01m and a depreciation charge of £5.1m. The majority of additions relate to network equipment.

The majority of the investments are held within publicly traded funds and the unrealised gain of £0.6m (as noted above) is responsible for the majority of the increase in value from £72.2m to £73.0m. The group also holds equity in a small portfolio of edtech start-up companies as well as investing in the Emerge Education fund –1.2% of the total invested is in edtech. Since the end of the year, and in line with the new investment strategy, the portfolios held with three funds have been consolidated into Mercer funds.

Total debtors have decreased by £2.0m, with trade debtors down by £0.6m. The taxation and social security debtors relates mainly to the VAT repayment (see note 32) and we are in continued communication with HMRC to finalise the total value of the claim. Creditors (less than one year) have moved from £46.7m to £59.7m with the net agency creditor accounting for £10.6m of the £13.0m increase.

Jisc has total funds of £112.3m (2022: £113.8m) including investments of £73.0m (2022: £72.2m) and cash balances of £64.8m at 31 July 2023 (2022: £50.7m). The increase in our cash balances come as a result of improved debtor management with only 6% of debtors being overdue at year end.

The funds of £112.3m comprise £103.6m of unrestricted reserves (2022: £103.0m) and £8.7m of restricted reserves (2022: £10.8m). Of the unrestricted reserves, £16.2m (2022: £16.2m) relates to grant funded assets within designated funds. The remaining £86.8m (2022: £86.3m) can be deemed as general unrestricted funds.

Restricted reserves

Jisc has consolidated restricted funds of £8.7m (2022: £10.8m). 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 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 21.

Unrestricted reserves

The starting point for assessing the adequacy of reserves held by any charity, including Jisc, is normally the amount of "free" 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 2023 these amounted to £16.2m (2022: £16.2m).

Other 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 2023, these elements amounted to £0.6m (2022: £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 four months cover of our normal operating costs. At 31 July 2023, the balance of our general unrestricted reserves was £86.8m (2022: £86.3m) which equates to 6.2 months (2022: 8.4 months) of our normal operating costs.

It has been agreed by the trustees that the VAT refund will be used on projects to provide additional support to members or invest in commercial activities which will generate additional surpluses in the future to support Jisc's charitable activities. These projects include additional protection of the Janet Network, levelling up of the FE connections and resource to deliver more software and licensing agreements.

The last major upgrade of the Janet Network was in 2012-13 and is expected that the next major tranche of work will be due in 2028. Given the speed at which technology is moving in telecommunications, networking and the cyber protection needed against threat actors, the chief technology officer and Group CTO are reviewing the architecture of the network and will be delivering a plan on how best to deliver this next upgrade. Unlike previous upgrades, it is unlikely that there will be significant additional government funds available to pay for it and it is expected that any major investment will need to be self-funded.

The current economic environment, with inflation and interest rates coming down more slowly than expected, places additional risk on the cost base. Pressure on salaries across many sectors, but particularly in technology where we compete for talent against companies such as Amazon, Google and Splunk, give a need for additional flexibility and support to meet any short-term changes to funding which might come about due to pressure on either funders or members.

Given these plans, the current economic situation and inflationary cost pressures the sector is facing, the trustees consider the level of reserves to be satisfactory.

Cash

The Group's cash position for 31 July 2022 was £64.8m (2022: £50.7m).

Merger with HESA

During the year, Jisc and HESA announced that HESA would be joining the Jisc Group.

The HESA merger was accounted for as a business combination at 4 October in which all of the trade and assets of HESA were transferred to Jisc by way of a gift (see note 34). 171 staff and £2.1m of restricted reserves transferred with HESA which contributed £10.5m income for the 10 months to 31 July 2023.

2023-24 budget and financial forecast

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

The budget for 2023-24 takes account of the current economic climate, including increasing inflation and energy costs as well as significant investment into additional services for members, increased protection of the Janet Network and into revenue generating activities which will diversify our income streams and provide stability for the future. Grant funding was the same as previous years and we have not applied an inflationary increase on member subscriptions.

The three year plan has built-in efficiencies and savings which will be needed to deliver future surpluses. We have budgeted for an operating deficit position for 2023-24 with the significant investment in projects, as mentioned above, in place to utilise the VAT refund received from HMRC.

As noted in previous years, management and the trustees have agreed a plan to spend the restricted reserves on the network and deliver value to the sector by upgrading services and products.

Going concern

As noted above, the budget for 2023-24 takes account of changes and challenges in the current economic climate and delivers investment in products and services from the VAT refund and Jisc's reserves and the financial position remains strong, with funding and other income streams being constant and the cash position improving.

Management have undertaken a review of the business, for the period up to 31 July 2025, including future plans, 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 Jisc's strong balance sheet and healthy reserves position, management consider that there is no material uncertainty that casts doubt on Jisc's financial sustainability over the next 12 months.

Principal risks and uncertainties

A framework is in place which maps risk areas against our strategy and identifies early warning indicators as well as success indicators. The key risks to the successful delivery of our strategy are summarised as:

Risk area	Key mitigations
Delivering the right solutions	
Failure to ensure integrity, confidentiality and availability of Jisc's internal infrastructure	Achievement of Cyber Essentials accreditation in July 2023. Further implementation of improvements to meet national and international standards planned, focusing on asset management, identity and access management, and threat and vulnerability management.
Jisc cyber security is unable to protect the confidentiality, integrity and availability of our customers network infrastructure	Work underway includes the development of outreach and engagement groups, reviewing partnerships and key stakeholders and supporting and upskilling the sector with consistent training programmes. Launch of Cyber Security Threat Monitoring service in June with two further services due in 2023-24.
Jisc does not have the right skills and experience to manage partners and supply chain	Permanent director of procurement and supplier management appointed. Internal restructuring underway and communications and training to be implemented for the whole organisation to improve supplier management.
Failure to realise benefits from the HESA merger	Data strategy developed and HESA Data Platform. Further investment to be made in the modernisation of data collection and data publication. Further data products in development for the benefit of our members.
Failure to innovate / meet customer needs	Embedding of product lifecycle management process; increased member centricity; engagement of members in pilot services; partnership working to deliver at pace and to scale; annual customer satisfaction survey and monthly customer voice reports. Roadmaps for development in place with rigour around launch of new products.
Jisc's data protection and management is not sufficiently mature	Successful implementation of data governance and data protection actions. Additional data governance activities underway for delivery in 2023-24.

Risk area	Key mitigations
Member funding constraints	Demonstrate value for money and impact, continue to deliver efficiencies; support our members with the issues they face; monitor health of sectors.
Critical product failure	Business continuity plans in place for critical products and services. Identify and test all key critical products to ensure robustness of continuity; undertake any remedial work identified.
Disruptive technologies and increasing competition push Jisc out of the market	New product lifecycle management process will ensure products have roadmaps that address competition. Horizon scanning across all product areas and key technologies.
Jisc's funding reduced	Three year planning exercise; ensure all new products / investments have robust business cases and financial risks are understood; monitor budgets and forecasts reporting on a timely basis.
Inability to meet data-related statutory obligations without compromising other activities	Agreeing ways of working with Office for Students. Establishment of Data Collection and Statistics Oversight Board to oversee statutory function.
Empowering communities	
Jisc fails to support and advise members on reducing their digital carbon footprint	Subject specialist appointed, communities of practice being established, training and guidance provided, research thought leadership articles and advice as well as engaging with sector Climate Commissioners.
Lack of organisation-wide approach to geopolitical responses and alignment with government policy	Head of International appointed to focus on supporting UK PLC, understand and managing international risks to Jisc and our members, understanding members international needs and ensuring resilient and high-capacity infrastructure.
Be a force for good	
Jisc unable to attract or retain staff due to the competitive external environment	Continue to deliver and embed Jisc's HR Strategy including talent management, strategic workforce planning and application of our pay framework. Review of employee value proposition and clear communication of benefits of working for Jisc. Working with specialist agencies where necessary.
Failure to meet carbon reduction targets	Net zero roadmap approved by Board. Business case being developed to bring together all sustainability work into a coherent programme.

Trustees' report

The Trustees present their report and audited consolidated financial statements for the year ended 31 July 2023.

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
30 Finsbury Square
London
EC2A 1AG

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.[3] We operate under bespoke **Articles of Association**.

[3] An application to register as a charity in Scotland will be initiated in 2023-24.

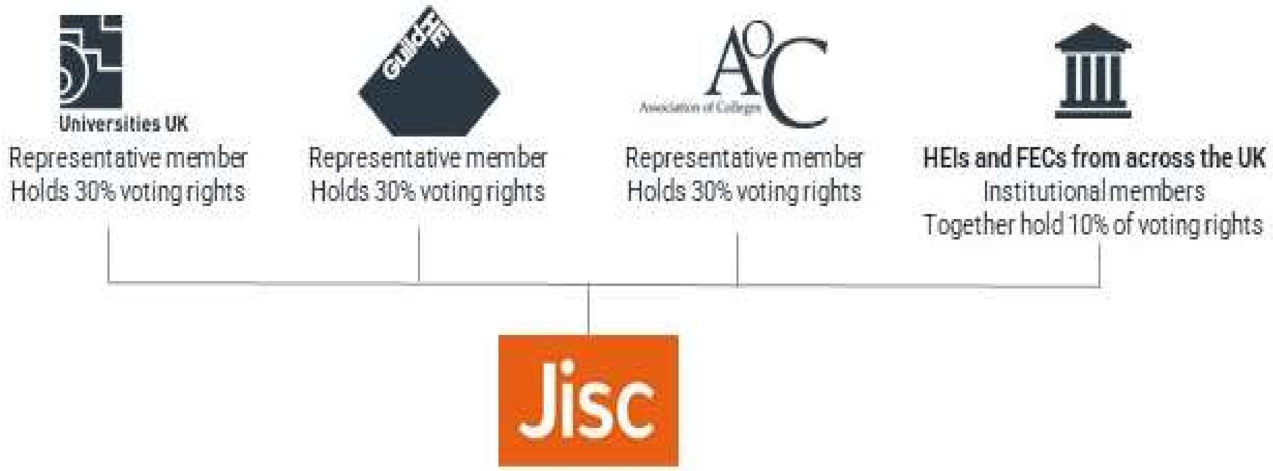
Executive leadership team

The following members of the Executive leadership team are responsible for managing the day-to-day activities of the charity:

Name	Role
Heidi Fraser-Krauss	Chief executive officer
Nicola Arnold	Chief financial officer
Alice Colban	Deputy chief executive and chief operating officer (company secretary)
Jayne Davies	Managing director, customer and sector enablement
Liam Earney	Managing director, higher education and research
Robin Ghurbhurun	Managing director, further education and skills
Steve Masters	Chief technology officer
Rob Philpotts (from 4 October 2022)	Chief data officer
Andrew Wood	Chief of staff

Membership

Our Articles of Association allow 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 do 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 2023, there were 152 HE members and 112 FE, sixth form or specialist college members in the UK, along with our Representative Members.

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) is an active wholly owned subsidiary company in the group, along with Jisc International APAC Pte Ltd (a company limited by shares registered in Singapore) which provides technical support services within the Asia and Pacific region for the Jisc 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, have been closed or are in the process of being closed.[4] All UK 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 16 – Investments.

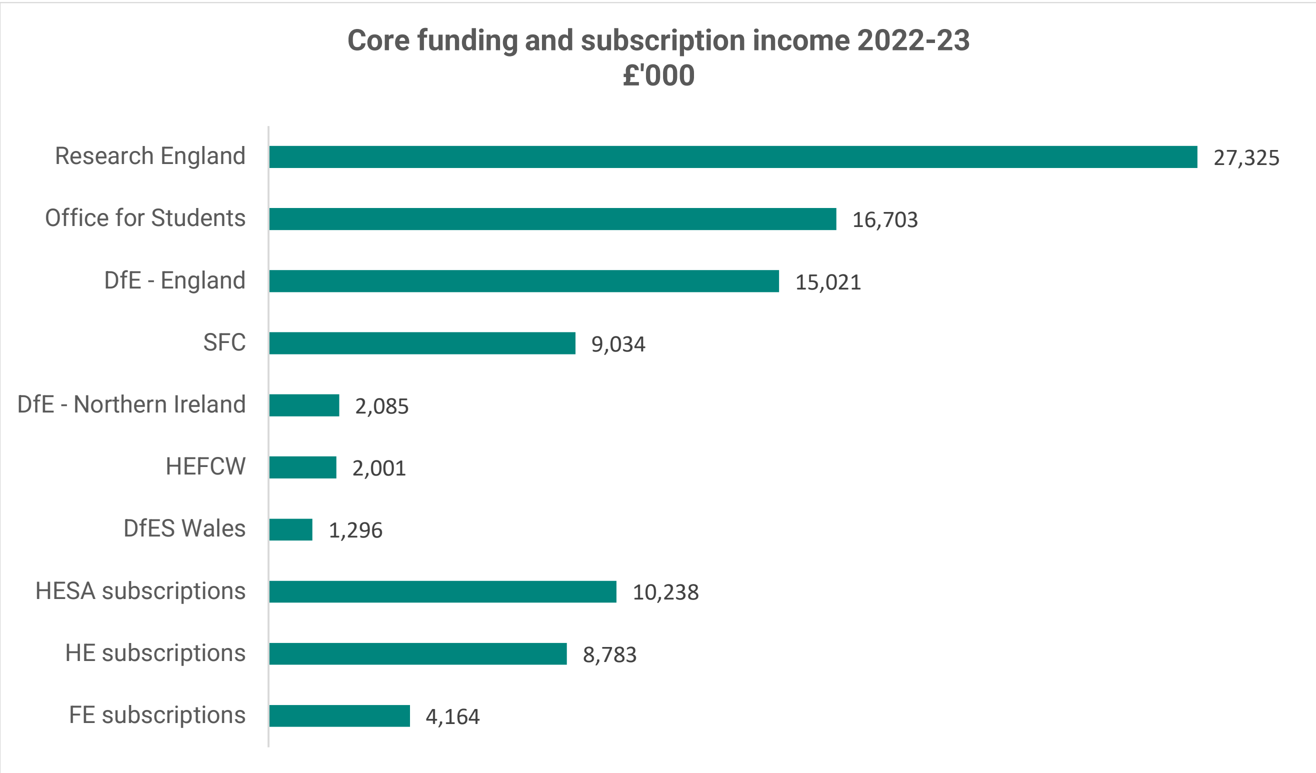
[4] These are HESA, HESA Services Limited, and Jisc Liberate Managed Services Limited.

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 and subscription income across Jisc and HESA in 2022-23:



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 Paul Boyle CBE (Chair)	Vice-chancellor, Swansea University	Appointed by AoC, GuildHE and UUK
Dr David Ashton	Pro vice-chancellor, Leeds Beckett University	Nominated by Jisc's core funders
Simon Bolton (from 15 March 2023)	Trustee	
Susan Bowen (until 14 March 2023)	President and chief executive, Aptum Technologies (UK) Limited	
Joanna Campbell	Principal and chief executive, Dumfries and Galloway College	
David Chalmers (from 21 March 2023)	Trustee	
Heidi Fraser-Krauss	Chief executive, Jisc	
Professor Anthony Forster (until 3 May 2023)	Vice chancellor, University of Essex	
Debra Gray	Principal and chief executive, Hull College	Nominated by AoC
Professor Sir Chris Husbands (from 7 October 2022)	Vice-chancellor, Sheffield Hallam University	
Robert McWilliam	Trustee	
Dr David Pilsbury	Chief development officer, Oxford international Education Group	
Professor Lisa Roberts	Vice-chancellor and chief executive, University of Exeter	Nominated by UUK
Professor Mark E Smith CBE (until 19 December 2022)	President and Vice chancellor, University of Southampton	
Ashley Wheaton (Deputy chair)	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 three-year strategy which is reviewed annually and strategic targets for each year are set. Further information about the Jisc strategy can be found on page 8.

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 9. All decisions made by the board are in the context of meeting the needs of our members. For example, the merger with HESA has brought efficiencies and will allow Jisc to develop data products for the benefit of our sectors. 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 Key Activities and Achievements section on page 5.

The board are aware of the risk factors associated with Jisc's income streams. One of our key risks is financial sustainability and our updated strategy supports this through ongoing efficiencies and by prioritising investment and the development of products and services based on the needs of our members, their staff and students. Risks associated with income streams, are reflected in the Principal risks and uncertainties section (see page 17).

Jisc recognises its broader responsibilities towards communities, stakeholders, society and the environment. One of our strategic priorities is to strive to make a positive global impact with sustainability noted as a key priority. In 2023 the board agreed that we should move towards a broader sustainability approach, mapped against the UN Sustainable Development Goals (SDGs). This encompasses all the activity in our previous Corporate Social Responsibility (CSR) strategy (business ethics, environment and community) and brings in a broader framework that is widely recognised in our sectors. In place of a CSR statement each year we have moved to an **annual sustainability report**. Further information about our environmental activities can be found in the Streamlined Energy and Carbon Reporting section of this report (page 32).

Leadership

Our board and individual trustees take collective responsibility for decisions. The chair provides leadership and ensures that Jisc's strategy and priorities are clear. The board has agreed guiding principles (see Internal organisation on page 36) as key drivers of how the organisation should operate.

The roles of the board, chair and deputy chair are clearly defined. Proper arrangements are in place for appointments including a planned and delivered induction process with follow-up sessions as required. The board also participate in the appointment process for Executive leadership team (ELT) appointments where required. Proper arrangements are in place in the organisation for the management of senior leaders. Performance reviews of the chief executive and ELT including any resulting pay awards are overseen by the Remuneration committee.

Jisc has a small number of subsidiary companies, each with their own bespoke Articles of Association. Following some changes to the Jisc Group structure, the only active UK based subsidiary from 1 August 2023 will be Jisc Services Limited. The relationship between Jisc and its 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 the subsidiary company 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 among 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.

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 1 August 2022 to 31 July 2023. Attendance of trustees at board meetings is as follows:

Trustee name	Eligibility to attend (based on term of office)	Actual attendance
Professor Paul Boyle CBE	5	5
Dr David Ashton	5	4
Simon Bolton	2	2
Susan Bowen	3	3
Joanna Campbell	5	4
David Chalmers	2	2
Professor Anthony Forster	4	2
Heidi Fraser-Krauss	5	5
Debra Gray	5	5
Professor Sir Chris Husbands	4	4
Robert McWilliam	5	5
Dr David Pilsbury	5	3
Professor Lisa Roberts	5	4
Professor Mark E Smith CBE	2	2
Ashley Wheaton (Deputy chair)	5	5

Integrity

The board and individual trustees are seen to act with honesty, trustworthiness and care, and support Jisc's guiding principles. They are expected to abide by the Nolan Principles of public life – selflessness, integrity, objectivity, accountability, openness, honesty and leadership. Collectively, the board is independent in its decision making to support Jisc's purpose and no one person or group has undue power or influence.

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.

Along with our guiding principles, a number of policies exist that provide guidance to staff about expected values and 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 our online training platform. We have a defined process for our response to actual or suspected fraud and a detailed approach to responding to a whistleblowing report, including how to address and respond to anonymous reports.

The nature of our business, and our relationship with UK HE and FE 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 our 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.

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.

We have evolved our Corporate Social Responsibility (CSR) strategy into a broader sustainability programme, focussing on the UN Sustainable Development Goals (SDGs) (discussed further under Organisational purpose in the Governance and Management section from page 23 and in our **annual sustainability report**).

Decision-making, risk and control

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
- operational policies and procedures for staff.

The **role of the board** can be found on our website. We have four standing committees which operate across the Jisc Group (Audit and risk management; Finance and treasury; Nominations and governance and Remuneration) and the Data collection and statistics oversight board. 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 receives reports at each meeting on progress against our strategic targets, our financial performance and key product areas. 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 which has been updated in the past year.

Our high level strategic and operational risk registers are underpinned by risk registers in key areas of the business. These are reviewed regularly to check progress of mitigating actions and position of early warning indicators. 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 17.

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. A well-managed risk appetite is encouraged, 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 2023.

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 2022-23

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 2022-23

Having taken account of:

- consideration of reports from the chief executive and Jisc officers on a number of activities;
- consideration of a range of audits and the opinion of Jisc's Group Internal Audit Manager (reflected below);
- 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;
- the Jisc risk management framework including the Jisc risk appetite.

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

a. the overall control environment is adequate and effective, although a number of internal controls need to improve to meet business objectives;
b. the Jisc Group arrangements for corporate governance, risk management and value for money are adequate and effective;
c. the Jisc board may place reasonable reliance on these processes and systems in carrying out their role and providing assurances to Jisc's funders and members.

Board effectiveness

The board usually meets five times a year including a strategy-focussed awayday. A strategy session was held in April 2023 at the planned awayday. All board meetings throughout the year, including strategy sessions, have been held in person at Jisc's offices with the option for dial in for those unable to travel. 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 at 31 July 2023, 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. Trustees are appointed based on merit 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 a further year is permitted. Two new trustees were appointed in early 2023 following an open recruitment process. Details of all trustees appointed can be found in the Governance and management section of this report from page 23.

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.

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. This allows an opportunity for trustees and committee members to reflect on the board or committee environment and how this can develop further to facilitate effective and constructive challenge during discussions. The recommendations arising from the reviews are considered and agreed by the Nominations and governance committee and the relevant board or committee. A progress report is provided to the Nominations and governance committee part-way through the year to ensure the executive team is held accountable in the delivery of agreed recommendations. An external review was undertaken in autumn 2023.

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. A **Board and committee diversity policy** was approved by the board in June 2023 with the intention of improving diversity on the board, recognising that a mix of skills, knowledge and experience with different perspectives and insights builds a strong foundation for well-informed decision-making and as a consequence, better performance of Jisc in support of its stakeholders.

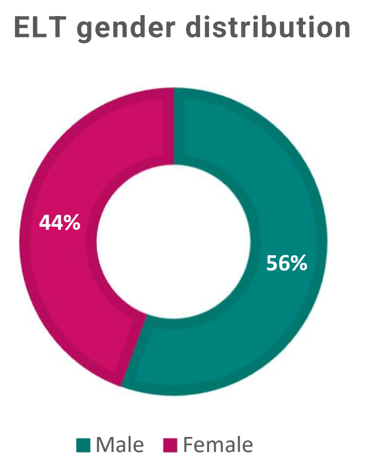
Candidates from diverse backgrounds are sought and encouraged whenever a vacancy for a trustee or committee member arises, including when an appointment is the result of the nomination by our funders or Representative Members.

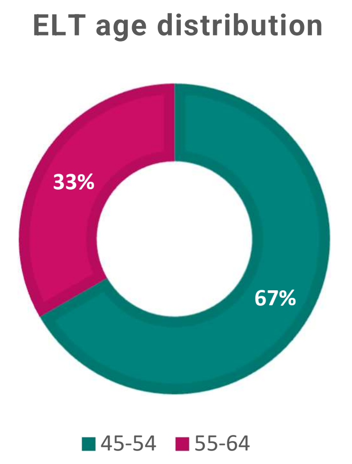
We are committed to removing, reducing or preventing obstacles to people becoming trustees. One of our guiding principles agreed by the board (discussed further in the Internal organisation section on page 36) is 'Always inclusive' which focusses on building and celebrating a culture of diverse minds, being actively inclusive and open, and working together as one. The board receive regular updates on our equality, diversity and inclusion activities within the organisation.

As of 31 July 2023, our board comprised 12 trustees with 25% identifying as female, 67% identifying as male and with 8% preferring not to say. The ethnicity of trustees was 75% White British, 9% White English, 8% White Scottish and 8% preferring not to say.[5] We do not have any disabilities declared by trustees.

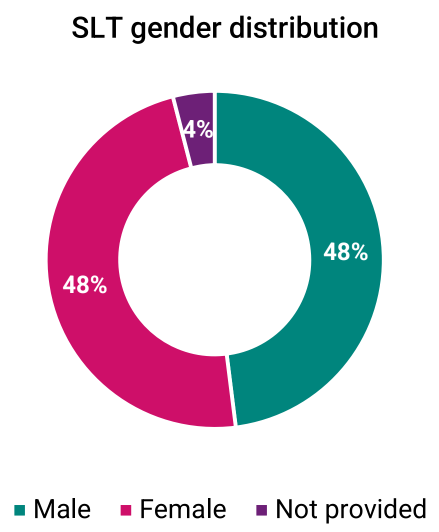
[5] Our diversity data collection form was updated in 2023 to reflect a broader lists of possible answers.

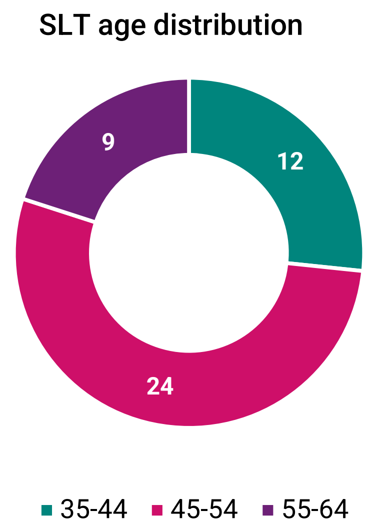
The executive leadership team comprises the chief executive officer and executive directors. The gender distribution and age of this group is as follows:





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





100% of the executive leadership team and 82% of senior leaders have provided ethnicity data. Of those providing information, only one person has declared a mixed heritage background. Nine people have not provided their ethnicity data and one person has selected ‘prefer not to say’. 12.5% of senior leaders have declared a disability.

Further information on our internal Diversity and inclusion strategy can be found in the Internal organisation section on page 36.

Openness and accountability

Further information about engagement with our members can be found in the stakeholder engagement section of the strategic report on page 9. Communicating effectively with our key stakeholders is central to our business and drives our approach to delivering the right solutions and empowering communities in accordance with our strategy.

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.

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, such as benefits realisation reports following mergers to ensure that there is appropriate reflection on these key decisions.

In the year to 31 July 2023, remuneration has been paid to Heidi Fraser-Krauss (as chief executive) and to Professor Paul Boyle (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 12 of the Financial Statements. 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 12 of the Financial Statements.

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 relating to trustees' expenses are included in note 12 of the Financial Statements.

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 2022-23 financial year. Autumn 2020 was the first year that Jisc produced a SECR for the year ending 31 July 2020. In this report, 2021-22 has been used as comparison year. 2022-23 will be used as our new baseline year due to the merger with HESA in October 2022.

Greenhouse gas emissions and energy use data for period 1 August 2022 to 31 July 2023	**Current reporting year 2022-23**	**Comparison reporting year 2021-22**
	UK and offshore	
Energy consumption used to calculate emissions (kWh) (all facilities and data centres)	1,364,797.1	1,008,676.1
Scope 1 emissions		
Natural gas (tCO2e)	N/A	Data not available
Refrigerants (tCO2e)	Data not available	Data not available
Scope 2 emissions		
Purchased electricity (location based) (tCO2e)	15.32	27.06
Scope 3 emissions		
Business travel in employee owned vehicles	80.89	54.36
Other business travel (air, rail and hotel stays)	427.98	191
Employee commuting	68.96	58.83
Homeworking	475.48	409.82
Waste generation	0.33	0.22
Transmission and distribution losses	24.46	20.02
Upstream leased assets	267.29	191.81
Downstream transportation	4.05	0.81
Total gross emissions tCO2e	**1364.76**	**953.93**
Intensity ratio: tCO2e per £m of income	1364.76 tCO2e / £146m = **9.348 tCO2e per £m of income**	953.93 tCO2e / £124m = 7.693 tCO2e per £m of income

Changes in methodology

To align our carbon reporting and remain transparent in our emissions, we have included additional data not required in the SECR; this includes hotel stays (under other business travel), homeworking, waste generation, transmission and distribution losses, upstream leased assets and downstream transportation.

Purchased electricity from facilities and data centres have been reclassified into Scope 3 upstream leased assets as per GHG Protocol Guidance. This has been amended in our previous years reporting to allow comparison. In addition, further data has been collected and emissions from waste electrical and electronic equipment (WEEE) from our facilities and additional leased assets including data centres have been added to our carbon footprint this year. We did not receive any gas bills during 2022-23 and so are unable to report our natural gas emissions.

As a consequence of our merger with HESA (bringing an increase in staff numbers and additional office location), an increase in travel following the pandemic years, and the inclusion of additional emissions categories, our emissions increased in 2022-23. Our approach is intended to be transparent to allow us to effectively track the impact of our emissions reduction activities.

Energy efficiency action

We have made the commitment to be net zero by 2040. This includes emissions in scope, including gas, electricity, business travel and staff commuting. We will be net zero across our remaining scope 3 emissions, including our supply chain, transport and distribution, waste and electrical use of our leased assets by 2050. We plan to put interim targets in place to ensure sufficient progress is made and will work towards aligning with the Science Based Target Initiative in future. In 2023 we published our net zero roadmap which outlines our approach to reducing emissions and sets out our plans for future projects.

We have previously established environmental considerations and energy efficiency as a priority for all refurbished offices including reusing and recycling furniture. Our office at Portwall Lane, Bristol includes features such as repurposed furniture from our previous office and motion-controlled lighting to save unnecessary electricity. In this office we have continued to produce green energy from onsite solar power, generating 58,856 kWh of solar energy since November 2019. Our hybrid approach to work means we've reduced the emissions we produce from commuting by using video conferencing instead of meeting face to face.

We promote recycling at each site and collect hard-to-recycle items such as crisp packets, pens and bottle tops. Our electronic waste from offices is collected and resold or reused, resulting in zero electronic waste to landfill. In 2022-23 we recycled over 370 electronic items.

We encourage staff to use public transport wherever possible. Prior to the COVID-19 pandemic, we had 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 was practical and these practices continue. We operate a cycle to work scheme and provide cycle racks and shower facilities to encourage and support cyclists. This year we introduced an electric car scheme as part of our range of support for staff.

In 2022-23 we collaborated with EAUC and UCISA to investigate Scope 3 emissions in IT supply chains, including several workshops and presentations at conferences. We've also partnered with Honeywell on

Honeywell Forge for Education proof of concept, which provides a centralised facility interface as part of an institution's smart campus strategy. The advanced building management system and connected Internet of Things devices rapidly acts on real-time analytical insights to improve building comfort and safety. GHG emission footprints can be reduced and energy and resource efficiencies are delivered through sustainable building management practises and transformational analytical insights.

Methodology

Emissions category	Data sources and assumptions
Purchased electricity	• Location based method • KWh from invoices obtained by facilities • UK Government conversion factor for UK electricity • Average from previous months used where data not available
Transmission and distribution losses	• Average data method • Total kWh from invoices obtained by facilities • UK Government conversion factor for UK electricity T&D used
Waste	• Waste type specific method and average data method • Mass of waste for each waste treatment method obtained by facilities from waste collection companies • Data from Lumen House office was not available so was estimated using last years data. Fetter Lane data was provided for the whole building space so the % of waste for the % of building space Jisc occupy was taken. Data from the new Cheltenham office was not available. • Mass of WEEE waste from invoices obtained from WEEE recycling partner • UK Government conversion factor for each waste type used • Average from previous months used where data not available
Business travel	• Distance-based method • Number of miles travelled via personal vehicle use, rail and air obtained from expenses system and Click Travel • Hotel bookings obtained from Click Travel • UK Government conversion factors for each mode of transport, haul length and booking class used. Conversion factors included indirect effects of flights • Where country specific hotel conversion factors were unavailable, nearest location geographically used
Employee commuting	• Distance-based method • Number of miles travelled by staff per transport type per month obtained from staff commuting survey • UK Government conversion factors for each mode of transport used • Emissions multiplied by 12 to establish emissions for the year. 41.57% survey response rate. Extrapolated for number of staff as of 31/7/23
Homeworking	• Annual working hours based on 35 hour week and 41 days off annually

	• UK Government conversion factors for homeworking (office equipment and heating) used • Working from home estimated at 75%
Upstream leased assets	• Asset specific method and average data method • KWh from invoices obtained by facilities and data centre managers • Data for Lumen House was not available so usage was estimated using last years data • UK Government conversion factor for UK electricity used • Average from previous months used where data not available
Downstream transportation	• Spend-based method • Spend on courier and freight services obtained from procurement • Conversion factor for UK postal and courier services used via Climatiq

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 2023 and approved by the board.

Credit risk

The Jisc Group's activities are primarily with state-funded education and research bodies and, as such, have 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 reserves policy which requires us to hold four months of operating costs (see financial performance and strategy section on page 11).

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 six-month period.

Internal organisation

Our operating model is based on the sectors that we operate within and the products and services that we offer, with underpinning shared services. It spans all companies in the Jisc Group.

Members of the executive leadership team 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.

In October 2022, following our merger with HESA, we created a new data collections and statistics directorate, to collect, assure and disseminate data about higher education (HE) in the UK on behalf of public authorities who require it to carry out their statutory and/or public functions.

Our 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.

Staff numbers

Our headcount has increased by 23% over the past 12 months to 1247 employees as at 31 July 2023. As part of this, 175 colleagues were transferred into Jisc from HESA through the merger in October 2022.

Seven percent of staff are on fixed term contracts (compared with 6% in 2022).

The total turnover rate for the period 1 August 2022 to 31 July 2023 was 14.7% compared to 15.7% in 2022, demonstrating that turnover rates have returned to pre-pandemic levels.

People strategy

Our ambitious HR People strategy for 2020-2023 is now complete. There has been widespread change and a number of achievements throughout the period. Key successes include progress to a new target culture and embedding Guiding Principles, a new HR information system, a new pay framework and improved recognition initiatives and flexible benefits, an impactful leadership programme, introducing a graduate programme and strengthening apprenticeships, changing the approach to performance management and harmonising terms and conditions.

Progress is demonstrated through our employee survey scores, lower than average turnover and competitive time to hire on recruitment.

We are proud of the continued progression of the Jisc Diversity and inclusion strategy and would highlight our employee networks, our updated and progressive ED&I policy, plus the content and design of the soon-to-be launched Conscious Inclusion for Leaders programme for executive and senior leaders.

Since launching our Early Careers programme in 2020 we have welcomed 12 diverse graduates into areas of the business we find it difficult to recruit to and have a further seven graduates joining in September 2023. We currently have 27 people working towards an apprenticeship in Jisc. Twelve of our current graduates and apprentices recently benefitted from participation in a week long Outward Bound programme to develop their leadership, resilience and communication skills.

We have partnered with Roffey Park to deliver Jisc's leadership development programme for over 390 current and aspiring managers to understand their role, develop leadership skills and develop collaborative networks with peers through action learning. We also launched Jisc management essentials, an e-learning course for all managers in September 2022.

Our attention now turns to developing our HR strategy to take us to 2026 and support our three year plans. This will still have the strategic intent of finding and keeping great people, against a backdrop of enabling those great people to be brilliant and efficient at what they do. This strategy is about embedding the successes of the 2020-2023 strategy, ensuring we have:

- a clear proposition and culture for our people

- an employee experience focused on the moments that matter

- a sector leading digital experience and clear ways of working

- inspired, trusted and informed managers

Culture

Our guiding principles have been in place since September 2020 and are well embedded across Jisc. Our mid-year employee engagement survey in June 2023 showed that our core strengths relate to manager support for staff wellbeing, manager feedback and support for flexible working arrangements. Our top opportunities relate to providing more career and development opportunities. We will be reviewing our guiding principles with staff in the autumn to make sure that they still resonate and to support development of our employee value proposition.

Our drive to harmonise terms and conditions of employment, with 92% of employees now on standard Jisc terms and conditions, further supports our progress towards a one Jisc culture.

Gender pay gap report

Our latest **Gender pay gap report** is based on a snapshot of earnings taken at April 2022. The report shows that both our mean and median gender pay gap has increased by 1%. Our median pay gap rose to 16.1% with our mean pay gap rising to 14.5%. The change in figures is driven by Jisc continuing to employ more men than women in the upper quartile roles. We acknowledge we must work harder to attract more women into our senior and senior technical specialist roles. There has been a 6.7% increase in women in the upper middle pay quartiles from 37% to 43.7%, which demonstrates progress. However, this change is not enough to drive changes to the median pay gap.

The median bonus gap was 77.4% which reflected the previous year being affected by the pandemic and standing at 0%, and the high number of senior men receiving bonuses. We expect there to be a drop in this next year due to the company-wide bonus given in December 2022.

We stand committed to reducing the gender pay gap with relevant work covering multiple areas of the business such as recruitment of women in senior, senior tech, and bonus-earning commercial roles.

Diversity and inclusion strategy

Our Diversity and inclusion (D&I) strategy as well as anti-racism initiatives have continued to progress and build trust among colleagues. We now have two executives sponsors for our work in this area with Heidi Fraser-Krauss sponsoring anti-racism and Liam Earney taking over the D&I sponsorship baton and chairing the D&I steering group. The strategy is still very much aligned with our 'always inclusive' guiding principle. The board have engaged with HR leaders to ensure that there is the right level of equality, diversity and inclusion training as part of the People strategy, and to ensure the right information is available for effective benchmarking.

We now have nine employee networks, some of which were established this year, and all of these have been supported to grow. We have seen a combined total of 550+ colleagues engage with network activities such as joining Teams channels and/or attending events run by co-chairs.

The co-chairs form the D&I steering group which meets quarterly with representatives from our Employee Voice Forum and our trade union (UCU) to discuss inclusion related ideas, issues and initiatives. The co-chairs often consult with colleagues working on various Jisc projects or with departments working on company-wide initiatives. This has facilitated discussions around matters including software, relative Cyber Essentials (CE) certificates and reasonable adjustments in the context of our software provision, CE work, customer experience programme and annual colleague conference, as examples.

All network co-chairs have attended anti-racism training with the Black Leaders Group (BLG), with whom Jisc are affiliated to ensure they take an intersectional approach with understanding and managing their networks.

The refreshed and updated Equity, diversity and inclusion (ED&I) policy was launched in February 2023 and was well-received by colleagues. Furthermore, a dedicated space for all D&I related communications and networks was launched on the intranet. This has ensured colleagues have a gateway to access D&I resources and supports transparency.

Diversity data

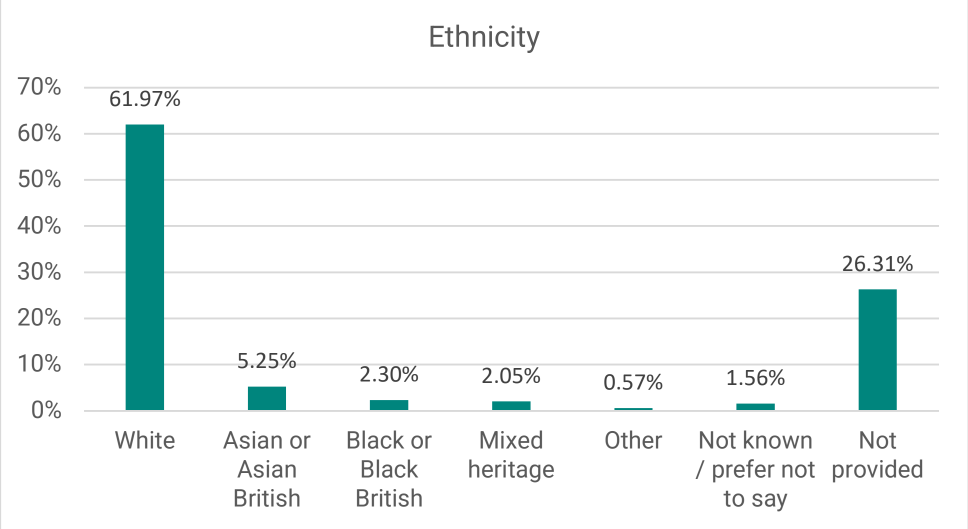
Equalities information

Equalities information is held on our HR system in accordance with GDPR principles. To date approximately 71% of staff in post at 31 July 2023 have provided information about their ethnic origin, 64% their religion, 63% their sexual orientation and 15% disclosed a disability. We use this data to help understand patterns and implications for strategy, both in terms of tracking success and identifying areas of focus.

Diversity data disclosure has continued to increase overall as we have progressed with our D&I strategy and anti-racism initiatives. The largest disclosure increase has been ethnicity data; during Feb 2022 it was 41%, whereas it now stands at 71%, seeing a substantial 30% increase. Building trust has been critical to this strong, upwards disclosure trend and we will seek to continue it with authentic and relevant initiatives.

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 is just under 62%.



Religion

Approximately 12% of the returns identified with Christianity as their belief system, with an additional 4% identifying with Catholicism. The number of staff who have no religious belief is at 24%. Further information on the diversity of religious beliefs at Jisc is below:

Religion	Percentage of staff
Christianity	12.62%
Atheism	10.41%
Catholicism	4.26%
Other	2.54%
Hinduism	1.80%
Islam	1.56%
Buddhism	0.41%
Muslim	0.33%
Rastafarianism	0.16%
Jewish	0.08%
Unitarianism	0.08%
No religion	24.43%
Agnostic	6.89%
Prefer not to say	4.84%
Not provided	29.59%

Age and gender

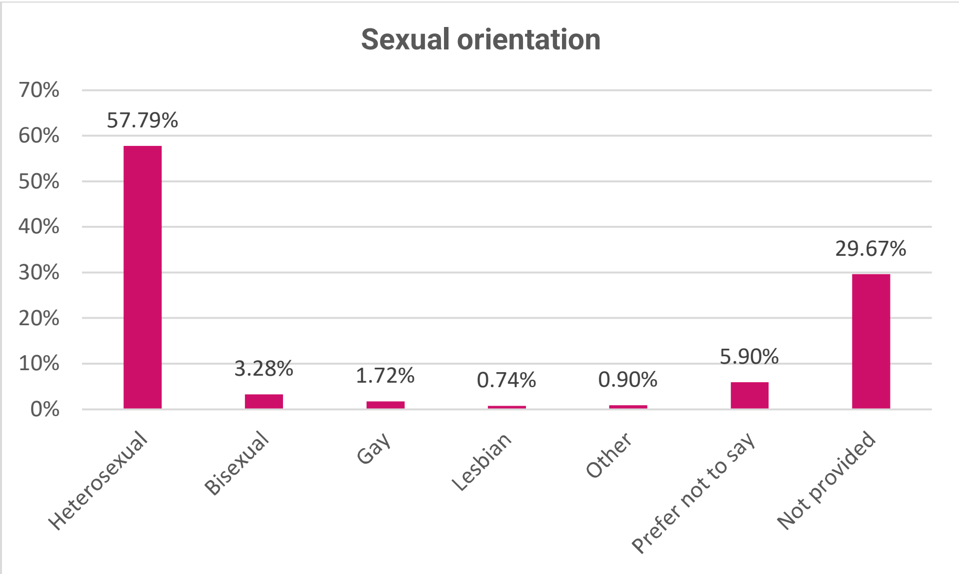
Jisc continues to employ people across a broad age group, with the age of new starters over the past year ranging between 19 and 66 - with the average age for a new starter being 37 years old.

Compared to last year, the proportion of women in post has increased, from 40.5% at the end of July 2022 to 41.31% at the end of July 2023.

Employees disclosing gender identity has increased to 86% and this increase in employee data contributes to giving Jisc a clearer picture of its workforce.

Sexual orientation

64.4% of staff have disclosed their sexual orientation. 5.9% preferred not to say. The majority of staff (57.8%) indicate that they are heterosexual, 5.74% identify as lesbian, gay or bisexual.



Supporting staff with disability

As part of our Diversity and inclusion strategy we continue to focus on educating our people about the breadth of both mental and physical disabilities.

In 2023 we had 186 staff report that they consider themselves to have a disability. We encourage employees to talk to us about any support they need regarding disabilities and are committed to putting in place reasonable adjustments (such as temporary or permanent changes that reduce or remove a disadvantage related to disability) to support our people to fulfil their roles successfully.

Jisc continues to work with an independent occupational health provider to support the health and wellbeing of our people. 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 increased our 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.

Health and safety

The Jisc board has overall and final responsibility for health and safety, supported by the Audit and risk management committee. Our Employee Voice Forum advises on matters affecting health and safety and approves an annual action plan. Our approach to mental health forms a core part of our iMatter strategy, which is our commitment to a holistic approach to health, 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 to ensure the benefits we offer are valued by our people.

We have removed individual performance-related pay and now have a single annual pay award. We have launched our new pay framework which is more aligned to the markets in which we operate to support our attraction and retention strategy. We have also launched our skills framework to underpin our career progression opportunities.

We recognise performance through several mechanisms, including our recognition schemes. These were enhanced during 2022 with the introduction of the quarterly CEO award, which is a team award recognising significant achievement against our company goals and guiding principles. Employees can also recognise their peers by sending e-cards calling out examples of when our guiding principles have been demonstrated. These stories are shared at our ‘Star of the month’ and all-hands celebration events. We have also now introduced an annual Jisc wide company performance award, linked to the achievement of our company goals.

We have continued to build and enhance our wellbeing and benefits programme with the introduction of a new employer paid healthcare cashplan, the opportunity to buy additional annual leave, an electric car vehicle leasing scheme and a technology buy scheme. We have also launched total reward statements so all our staff can see the full value of the pay, benefits and package that Jisc offers.

We have a set of guiding reward principles which include a new 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.

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 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. This is reviewed in the context of business performance and the need for good pay governance to ensure money from funding is spent and focussed in the right way. 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.

We have an annual performance management cycle, with managers having conversations with their teams about their performance throughout the year, with quarterly reviews to drive better and more frequent conversations.

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. Over the past 12 months we have created new policies to provide guidance on international working and managing capability.

Our approach to HR policies is intended to be light touch, providing a framework to support people managers and their teams.

New starters are enrolled on mandatory learning plans, covering data protection, information security, health and safety, governance (including anti-bribery, gifts and hospitality, anti-fraud, modern slavery and whistleblowing) and quality, with refreshers undertaken every two years.

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
- We now have nine employee networks, with co-chairs sitting on the D&I steering group and contributing to our D&I and anti-racism efforts and initiatives. They support colleagues to be themselves in the workplace plus engage in curious conversations, building allyship through virtual events, and considering identities from an intersectional perspective.
- Fortnightly staff update and monthly all staff briefing on key issues
- Monthly strategy updates from ELT members
- Intranet
- Regular briefing sessions, both at directorate level and organisation wide via all-hands briefings with the chief executive and location wide briefings
- Annual Jisc-wide staff conference
- 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 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 and applicable law) including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. 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 charitable 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 Charities SORP (FRS 102)
- 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
- 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 of the corporate and financial information included on 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 relevant financial 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 auditor is unaware; and

- they have taken all the steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is 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:

Paul Boyle

Professor Paul Boyle, CBE, Jisc chair

30 November 2023

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 2023, which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Cash Flow Statement 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 2023 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.

Basis for opinion

We have been appointed as auditor under the Companies Act 2006 and report in accordance with regulations made under that Act. 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 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 the cost of living crisis, 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.

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.

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.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Trustees' Report and Financial Statements other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Trustees' Report and Financial Statements. 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.

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 themselves. 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 purposes 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 their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report included in the 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 requires us to report to you if, in our opinion:

- adequate 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 trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 43, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. 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 the sector 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 we obtained, we determined that the following laws and regulations related to the financial reporting framework, being International Accounting Standards on conformity with the requirements of the Companies Act 2006, and The Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) 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;

Our audit procedures included:

- Making enquiries of management concerning the group's 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;
- 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 intangible assets;
- Gaining an 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;

- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
- 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;
  - Knowledge of the industry in which the group and parent company operates.
- Communications with 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 uncertainty and through management override of controls in the preparation of the 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.

Other voluntary reporting

The directors are required to comply with a funding arrangement 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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Thornton UK LLP

James Bird FCA

Senior Statutory Auditor

for and on behalf of Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants

London

Date: 30/11/2023

Consolidated Statement of Financial Activities (including income and expenditure account) for the year ended 31 July 2023

	Note	Unrestricted funds 2023 £'000	Restricted funds 2023 £'000	Total funds 2023 £'000	Unrestricted funds 2022 £'000	Restricted funds 2022 £'000	Total funds 2022 £'000
INCOME							
Donations and grants	4	53,358	20,221	73,579	51,718	20,252	71,970
Income from charitable activities	5	23,746	247	23,993	17,726	479	18,205
Income from trading with members	5	18,413	45	18,458	16,144	63	16,207
Income from other trading activities	5	27,028	-	27,028	22,832	-	22,832
Investment income	6	717	-	717	296	-	296
Other income	32	-	2,149	2,149	-	-	-
TOTAL INCOME		**123,262**	**22,662**	**145,924**	**108,716**	**20,794**	**129,510**
EXPENDITURE							
Expenditure from charitable activities before USS pension change		64,716	8,850	73,566	42,999	1,767	44,766
USS pension provision change	29	(1,700)	-	(1,700)	16,812	-	16,812
Total charitable activities	7	**63,016**	**8,850**	**71,866**	**59,811**	**1,767**	**61,578**
Expenditure from trading with members	7	63,639	10,692	74,331	61,459	11,950	73,409
Other trading activities	7	2,922	-	2,922	4,355	-	4,355
Grants paid	10	(48)	41	(7)	72	62	134
Other (gains) /losses		(757)	-	(757)	357	-	357
TOTAL EXPENDITURE		**128,772**	**19,583**	**148,355**	**126,054**	**13,779**	**139,833**
Net (expenditure) / income	11/25	**(5,510)**	**3,079**	**(2,431)**	**(17,338)**	**7,015**	**(10,323)**
Transfers between funds	21	5,163	(5,163)	-	8,755	(8,755)	-
Other unrealised gains	16	931	-	931	3,302	-	3,302
Net movement in funds for the year		**584**	**(2,084)**	**(1,500)**	**(5,281)**	**(1,740)**	**(7,021)**
Reconciliation of funds							
Total funds brought forward		103,023	10,819	113,842	108,304	12,559	120,863
Total funds carried forward		**103,607**	**8,735**	**112,342**	**103,023**	**10,819**	**113,842**

The accompanying notes are an integral part of these financial statements.
All results in the year to 31 July 2023 and in the prior year derive from continuing operations.
The consolidated SoFA includes all gains and losses for the year and the income and expenditure of the Group.

Consolidated & Charity Balance Sheets as at 31 July 2023

	Note	**Group 2023 £'000**	Group 2022 £'000	**Charity 2023 £'000**	Charity 2022 £'000
Fixed assets					
Intangible assets	14	12,115	12,393	1,233	1,465
Tangible assets	15	19,827	21,921	7,671	8,659
Investments	16	72,966	72,204	104,855	104,093
Total fixed assets		**104,908**	**106,518**	**113,759**	**114,217**
Current assets					
Debtors	17	34,030	36,007	24,384	21,959
Cash and cash equivalents	25	64,802	50,712	38,936	36,639
Total current assets		**98,832**	**86,719**	**63,320**	**58,598**
Liabilities					
Creditors: amounts falling due within one year	18	59,740	46,749	22,504	14,420
Provisions for liabilities	20	3,322	3,902	3,318	3,819
Total liabilities		**63,062**	**50,651**	**25,822**	**18,239**
Net current assets		**35,770**	**36,068**	**37,498**	**40,359**
Total assets less current liabilities		**140,678**	**142,586**	**151,257**	**154,576**
Provisions for liabilities: amounts falling due after one year	20	28,336	28,744	28,167	28,584
Net assets		**112,342**	**113,842**	**123,090**	**125,992**
The funds of the Group / Charity:					
Restricted income funds	21	8,735	10,819	78,124	64,452
Unrestricted income funds	22	103,607	103,023	44,966	61,540
Total Group / Charity funds		**112,342**	**113,842**	**123,090**	**125,992**

The Charity only net deficit for the year was £6,202k (2022: £14,039k) – refer to note 27. The accompanying notes are an integral part of these financial statements. The financial statements on pages 50 to 86 were approved and authorised for issue by the board and signed on its behalf by:

Heidi Fraser-Krauss

Chief executive officer

30 November 2023

Registered number: 05747339

Consolidated Cash Flow Statement for the year ended 31 July 2023

	Note	**2023 £'000**	2022 £'000
Cash flows from operating activities:			
Net cash provided by operating activities	25	**18,957**	**24,046**
Cash flows from investing activities:			
Interest received	6	717	296
Proceeds from the sale of property, plant and equipment	15	-	23
Purchase of property, plant and equipment	15	(2,985)	(6,995)
Purchase of intangible assets	14	(2,407)	(429)
Purchase of investments	16	(192)	(197)
Net cash used in investing activities		**(4,867)**	**(7,302)**
Net cash provided by financing activities		**-**	**-**
Net cash acquired		**-**	**-**
Change in cash and cash equivalents in the reporting year		**14,090**	**16,744**
Cash and cash equivalents at the beginning of the reporting year		**50,712**	**33,968**
Cash and cash equivalents at the end of the reporting year		**64,802**	**50,712**

Notes to the financial statements

1. Statement of compliance

The Group and individual financial statements of Jisc have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice ("Charities SORP") 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 2019) and the Companies Act 2006.

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) Gift aid

Various Group subsidiaries will make a gift aid donation to Jisc as their parent company. Gift aid donations are recognised when a legal obligation to make the payment exists and are classified as a distribution in the statement of changes in equity. In considering the level of gift aid donation to make, the paying company will consider whether there are sufficiently distributable reserves available and whether the paying company will be able to meet its liabilities as they fall due.

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, Jisc Commercial Limited and Jisc International Apac Pte. Ltd. Intra-Group transactions and balances are eliminated fully on consolidation.

A separate Statement of Financial Activities ("SoFA"), 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 in the SoFA when a transaction or other event results in an increase in the Group's assets or a reduction in its liabilities. Income is recognised when all of the following criteria are met:

- Entitlement – control over the rights or other access to the economic benefit has passed to the Group
- Probable – it is more likely than not that the economic benefits associated with the transaction will flow to the Group.
- Measurement – the monetary value or amount of the income can be measured reliably and the costs incurred for the transaction can be measured reliably.

Government grants

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. Performance-related grants that are conditional upon the delivery of a specific level of service are deferred where the conditions have not yet been met.

Income for services

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.

Where income is received for a specific activity which is to be delivered in a subsequent financial year, that income is deferred.

Principal versus agent

When the Group acts as the principal in a transaction of goods and/or services, the income is recognised gross and the related expense is recognised within expenditure. Where the Group acts as the agent in a transaction of goods and/or services, the related income and cost are netted off against each other such that the margin is ultimately recognised within income. For licences sold on an agency basis the income is recognised in full as an agency fee at the start of the licensing agreement period in line with the contract structure.

The indications that the Group is an agent in the transaction are usually:

- the Group is not responsible for providing the good or service, or;
- the Group does not have inventory risk before the good or service is provided to the customer or even after it has been provided, or;
- the Group does not have control over the price of the good or service.

The Chest and Collections licences sold by the Group are considered to be sold on an agency basis and income reported on a net basis. Further detail is shown in Note 5.

Interest income

Interest is recognised as earned.

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 trading with members and non-members.
- 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 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
- Long Term Software licences In line with contractual terms

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 as incurred.

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.

Following a review by management of the lives of the network equipment in use during the year ended 31 July 2022 the expected life of network equipment has been extended from 3 years to 5 years from 1 Aug 2021.

- Land Non-depreciating
- Freehold property 50 years
- Freehold improvements 10 years
- Leasehold improvements over the life of the lease
- Fixtures and fittings 10 years
- Network equipment 5 years
- IT 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 the 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' employees and 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 employer within 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.

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 Jisc 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.

t) Taxation

Jisc is a registered charity and is entitled to certain exemptions from corporation tax on profits from investments and any trading activities carried on in furtherance of the charity's primary objectives. The subsidiary companies make qualifying donations of all taxable profits to Jisc.

The Group is able to reclaim a proportion of its input VAT incurred using the partial exemption method.

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 other factors, 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 USS. 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 trustees are satisfied that USS 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 29).

(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 (notes 15 and 14 respectively) 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 14 and 15 for the carrying amount of the intangible and fixed assets respectively, and note 2k 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 17). When assessing impairment of trade and other debtors, management considersfactors 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 yearand undertakes a formal actuarial valuation every three years, at which time the deficit recovery plan may be amended (note 29).

(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 2023 £73,579k (2022: £71,970k) of funding was received from the United Kingdom funding bodies for higher and further education.

			2023			2022
	Unrestricted	Restricted	**Total**	Unrestricted	Restricted	Total
Funding body:	£'000	£'000	**£'000**	£'000	£'000	£'000
Office for Students	10,200	6,503	**16,703**	8,729	8,269	**16,998**
Research England	15,520	11,832	**27,352**	15,300	10,923	**26,223**
DfE - England	15,021	-	**15,021**	15,021	-	**15,021**
Scottish Funding Council	8,073	961	**9,034**	8,073	232	**8,305**
HEFCW	2,001	-	**2,001**	2,001	140	**2,141**
DfE Northern Ireland	1,410	675	**2,085**	1,410	244	**1,654**
Welsh Government	1,046	250	**1,296**	1,046	409	**1,455**
Government grant under Apprenticeship Training Scheme	87	-	**87**	138	-	138
British Council	-	-	**-**	-	35	35
	53,358	20,221	**73,579**	51,718	20,252	**71,970**

5. Income

Income is classified to reflect the activities of Jisc as: charitable, trading with members and other trading activities and services. The analysis below is presented in order to provide additional clarity to readers.

These activities are fully costed and funded independently of one another. Funding received in relation to a specific activity is not used to cross-subsidise or provide any undue benefit to any other activity.

	Income from charitable activities	Income from trading with Jisc members	Income from other trading activities	**2023 Total**
	£'000	£'000	£'000	**£'000**
Connectivity	-	7,246	8,865	**16,111**
Jisc membership subscription	12,947	-	-	**12,947**
Trust & Identity	308	1,694	9,999	**12,001**
Data Collections & Statistics	10,238	-	-	**10,238**
Cloud	103	1,947	3,151	**5,201**
Libraries, learning resources & research	14	2,253	613	**2,880**
Prospects.ac.uk	-	605	2,015	**2,620**
Data Analytics	28	1,881	841	**2,750**
Cyber	39	1,890	324	**2,253**
Other (including rent)	316	942	1,220	**2,478**
	23,993	18,458	27,028	**69,479**

Connectivity income comes from members and non-members taking connections in addition to those provided under their subscription and trust and identity services include verification services offered through OpenAthens and VerifID. Our cloud business resells services such as Azure and AWS through procured frameworks as well offering consultancy to members who are looking to move some of their activity into the cloud.

Our libraries and learning resource income represents management charges which Jisc takes on flowthrough licensing and collections purchases and Prospects.ac.uk income includes the HEDD service and the advertising through the Graduate Prospects website. Data analytics income includes the sale of HEIDI Plus, tailored data sets and online survey tools for education and research. Cyber products including penetration testing and consultancy.

Included within Libraries, learning resources & research is net income of £1,547k (2022: £2,808k) from the resell of licence subscriptions through Chest and Collections. These licences are sold on an agency basis and income reported accordingly on a net basis. Gross income from licences sold on an agency basis in 2023 was £163,116k (2022: £185,269k).

	Income from charitable activities	Income from trading with Jisc members	Income from other trading activities	**2022 Total**
	£’000	£’000	£’000	**£’000**
Connectivity	-	8,167	7,398	**15,565**
Jisc membership subscription	12,875	-	-	**12,875**
Trust & Identity	981	1,919	7,952	**10,852**
Cloud	-	787	3,260	**4,047**
Libraries, learning resources & research	1,191	2,808	-	**3,999**
Prospects.ac.uk	971	-	2,295	**3,266**
Data Analytics	15	1,435	1,279	**2,729**
Cyber	1,301	348	517	**2,166**
Other (including rent)	871	743	131	**1,745**
	18,205	**16,207**	**22,832**	**57,244**

The Group is domiciled in the UK.

Income for the year to 31 July 2023 from external customers that are non-UK based was £7,055k (2022: £7,002k) with the remainder generated in the UK.

Of the above, £69,187k was unrestricted (2022 : £56,702k) and £292k restricted (2022 : £542k).

6. Investment income

All of the Group’s investment income of £717k (2022: £296k) arises from money held in interest bearing deposit accounts and distributions from investments.

7. Expenditure

	Charitable activity expenditure £'000	Expenditure from trading with Jisc member £'000	Expenditure from other trading £'000	**2023 Total £'000**
Cloud	-	5,269	-	5,269
Connectivity	940	49,491	204	50,635
Cyber	1,350	9,794	-	11,144
Data Analytics	2,619	2,754	-	5,373
Events	1,367	-	-	1,367
Libraries, learning resources & research	8,064	1,470	-	9,534
Advice & Guidance	9,265	288	-	9,553
Student Experience	6,448	720	1,898	9,066
Data collections and statistics	9,740	-	-	9,740
Trust & Identity	419	3,369	16	3,804
Governance costs (note 8)	2,513	87	16	2,616
Support costs (note 9)	26,209	(1,675)	632	25,166
Other	2,932	2,764	156	5,852
	71,866	**74,331**	**2,922**	**149,119**

	Charitable activity expenditure £'000	Expenditure from trading with Jisc member £'000	Expenditure from other trading £'000	**2022 Total £'000**
Cloud	-	4,013	-	4,013
Connectivity	1,027	44,035	285	45,347
Cyber	1,001	8,679	-	9,680
Data Analytics	2,234	4,079	-	6,313
Events	963	224	-	1,187
Libraries, learning resources & research	7,147	2,568	-	9,715
Advice & Guidance	7,198	954	-	8,152
Student Experience	4,918	820	1,398	7,136
Data collections and statistics	-	-	-	-
Trust & Identity	-	2,913	2,113	5,026
Governance costs (note 8)	2,464	-	-	2,464
Support costs (note 9)	24,858	516	-	25,374
Other	9,768	4,608	559	14,935
	61,578	**73,409**	**4,355**	**139,342**

Of the above total, £129,577k was unrestricted expenditure (2022: £125,625k) and £19,542k was restricted expenditure (2022: £13,717k).

All expenditure includes irrecoverable VAT, where it has been incurred.

8. Governance costs

	2023 £'000	2022 £'000
External audit	252	189
Senior management salaries (note 12)	1,612	1,655
Trustee expenses (note 12)	5	18
Governance support costs	747	602
	2,616	**2,464**

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

Governance support costs include staff salary and related costs, recruitment, insurance and professional charges.

9. Support costs

	Expenditure charitable activities £'000	Expenditure from trading with Jisc members £'000	Expenditure from other trading £'000	**2023 £'000**
Finance & Procurement	4,336	-	-	**4,336**
Group costs	(1,490)	(2,836)	632	**(3,694)**
Strategy and Corporate Services	11,993	21	-	**12,014**
Internal IT costs	11,370	1,140	-	**12,510**
	26,209	**(1,675)**	**632**	**25,166**

	Expenditure charitable activities £'000	Expenditure from trading with Jisc members £'000	**2022 £'000**
Finance & Procurement	2,996	-	**2,996**
Group costs	3,988	-	**3,988**
Strategy and Corporate Services	10,116	160	**10,276**
Internal IT costs	7,758	356	**8,114**
	24,858	**516**	**25,374**

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 £1,126k (2022: £880k).

Group costs include the release of the USS pension provision as well as irrecoverable VAT.

Internal IT costs include the costs of the software development group who work on products and services for members and customers as well as the costs of maintaining Jisc's own IT services and systems.

10. Grants paid

	Group Project £'000	Digital resources Project £'000	E-infrastructure Recurrent £'000	Other £'000	**2023 Total £'000**	2022 Total £'000
The Open University	-	41	-	-	**41**	62
Shibboleth Consortium	-	-	62	-	**62**	62
Grant accrual release	-	-	-	(160)	**(160)**	-
Other grants (< £30k)	50	-	-		**50**	10
	50	**41**	**62**	**(160)**	**(7)**	134

In 2023 no grants were awarded to individuals (2022: £nil), all grants were to institutions. Of the total grants paid to third parties during 2023, £112k were unrestricted (2022: £72k) and £41k were restricted (2022: £62k). In the year grants paid were credited with amounts previously accrued as part of intra Group support.

11. Net expenditure / (income)

Net expenditure / (income) is stated after charging:

	2023 £'000	2022 £'000
Amortisation of intangible assets	2,685	2,859
Depreciation of tangible assets	5,072	4,241
Loss on sale of tangible fixed assets	30	15
Exchange differences	242	265
Operating lease rentals: property	2,074	1,931

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

	2023 £'000	2022 £'000
Audit of all entities and consolidated financial statements		
Fees payable for the audit of the annual accounts	252	141
Fees payable for other services: grant audit	7	
Total	**259**	**141**

12. Transactions with trustees and the cost of key management personnel

Remuneration and benefits

Recipient	**2023 £**	2022 £
Heidi Fraser-Krauss	235,649	191,442
Dr Paul Feldman	**-**	91,598
Professor Paul Boyle	15,000	15,000
	250,649	**298,040**

The remuneration of Heidi Fraser-Krauss is for her role as chief executive officer rather than as a Trustee. The remuneration of Professor Paul Boyle is for his role as Chair. 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 (2022: £nil), neither were they paid for professional or other services supplied to the charity (2022: £nil).

Reimbursement of expenses

Expenses were paid to trustees during the year as shown below and a breakdown by expenditure type:

	2023 £'000	2022 £'000
Travel and subsistence	**5**	18

Key management personnel

The key management personnel of the Group comprise the trustees, the chief executive officer, and 9 (2022:11) members of executive leadership team (ELT). The total remuneration and employee benefits of the key management personnel of the Group were £1,612,182 (2022: £1,648,495). Remuneration and pension contributions paid to members of the ELT during the year by role performed are shown below:

Role	**Remuneration £**	**Employer Pension £**	**2023 Total £**
Chief executive	195,680	39,969	235,649
Chief technology officer	199,429	21,166	220,595
Managing director, customer and sector enablement	155,618	31,465	187,083
Chief financial officer	155,618	31,465	187,083
Deputy chief executive and chief operating officer	134,248	38,072	172,320
Managing director, higher education and research	138,890	28,080	166,970
Managing director, further education and skills	125,903	25,452	151,355
Chief data officer	125,348	23,400	148,748
Chief of staff	118,438	23,941	142,379
	1,349,172	263,010	1,612,182

Role	**Remuneration £**	**Employer Pension £**	**2022 Total £**
Chief executive (from 16.09.2021)	157,615	33,827	**191,442**
Chief executive (until 31.10.2021)	91,598	-	**91,598**
Chief technology officer	204,253	-	**204,253**
Managing director, customer and sector enablement	151,110	29,998	**181,108**
Chief financial officer	151,110	29,998	**181,108**
Deputy chief executive and chief operating officer	130,342	36,608	**166,950**
Managing director, higher education and research	135,430	25,942	**161,372**
Managing director, further education, skills	124,300	24,265	**148,565**
Chief of staff	114,975	22,825	**137,800**
Executive director, e- infrastructure (until 1.12.2021)	46,017	7,909	**53,926**
Executive director, data analytics (until 1.12.2021)	50,033	8,599	**58,632**
Executive Director, student services (until 1.12.2021)	39,900	6,566	**46,466**
Managing director, higher education (until 17.09.2021)	25,275	-	**25,275**
	1,421,958	**226,537**	**1,648,495**

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.

The annual decrease in total ELT remuneration was 2% (2022: decrease 22%). In the year to 31 July 2023, the remuneration of the chief executive officer equates 4.6 times the mean gross pay of Jisc Group employees (2022: 3.9 times) due to growth in staff numbers and the consequent change to average staff pay over the year.

13. Staff and wages

	Group		Charity	
	2023	2022	**2023**	2022
	£'000	£'000	**£'000**	£'000
Wages and salaries	53,717	42,891	40,103	30,745
Social security costs	5,290	4,255	3,896	3,008
Other pension costs	5,020	24,302	2,828	21,920
Redundancy and termination payments	118	152	118	152
	64,145	71,600	**46,945**	55,825

In addition, temporary staff costs of £397k (2022: £1,096k) 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	
	2023	2022	**2023**	2022
Management	45	46	40	38
Technical	971	761	698	514
Administrative	136	121	136	121
	1,152	928	**874**	673

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:

	2023	2022
£60,001 - £70,000	61	63
£70,001 - £80,000	22	27
£80,001 - £90,000	11	8
£90,001 - £100,000	-	7
£100,001 - £110,000	3	2
£110,001 - £120,000	2	5
£120,001 - £130,000	3	2
£130,001 - £140,000	-	3
£140,001 - £150,000	2	-
£150,001 - £160,000	-	2
£160,001 - £170,000	1	1
£170,001 - £180,000	-	1
£180,001 - £190,000	1	-
£190,001 - £200,000	-	-
£200,001 - £210,000	-	1
£210,001 - £220,000	-	1
	106	123

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

	2023	2022
Money purchase schemes	-	3
Defined benefit schemes	100	108
	100	111

14. Intangible assets

Group	**Customer contracts £000**	**Rights to electronic content £'000**	**Software licences £'000**	**Total £'000**
Cost				
As at 1 August 2022	**6,500**	**13,665**	**8,560**	**28,725**
Additions	-	-	2,407	2,407
Disposals	-	-	-	-
As at 31 July 2023	**6,500**	**13,665**	**10,967**	**31,132**
Accumulated amortisation				
As at 1 August 2022	**1,300**	**11,641**	**3,391**	**16,332**
Disposals	-	-	-	-
Charge for the year	650	600	1,435	2,685
As at 31 July 2023	**1,950**	**12,241**	**4,826**	**19,017**
As at 31 July 2022	**5,200**	**2,024**	**5,169**	**12,393**
As at 31 July 2023	**4,550**	**1,424**	**6,141**	**12,115**

Assets were assessed in the year for impairment indicators and no impairment indicators have been noted.

Charity	**Customer contracts £'000**	**Rights to electronic content £'000**	**Software licences £'000**	**Total £'000**
Cost				
As at 1 August 2022	**-**	**1,700**	**197**	**1,897**
Additions	-	-	-	-
Disposals	-	-	-	-
As at 31 July 2023	**-**	**1,700**	**197**	**1,897**
Accumulated amortisation				
As at 1 August 2022	-	339	93	432
Disposals	-	-	-	-
Charge for the year	-	171	61	232
As at 31 July 2022	**-**	510	154	664
As at 31 July 2022	-	**1,361**	**104**	**1,465**
As at 31 July 2023	**-**	**1,190**	**43**	**1,233**

15. 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 2022	**7,205**	**85,229**	**3,173**	**1,117**	**4,209**	**100,933**
Additions	-	2,898	-	32	-	**2,930**
Assets transferred on acquisition	-	-	55	-	-	**55**
Disposals	-	(4,770)	(991)	(23)	(1)	**(5,785)**
As at 31 July 2023	**7,205**	**83,357**	**2,237**	**1,126**	**4,208**	**98,133**
Accumulated Depreciation						
As at 1 August 2022	954	71,968	2,675	540	2,875	**79,012**
Charge for the year	409	4,003	298	110	252	**5,072**
Eliminated on disposal	-	(4,770)	(991)	(17)	-	**(5,778)**
As at 31 July 2023	**1,363**	**71,201**	**1,982**	**633**	**3,127**	**78,306**
Net book value at 31 July 2022	6,251	13,261	498	577	1,334	21,921
Net book value at 31 July 2023	**5,842**	**12,156**	**255**	**493**	**1,081**	**19,827**

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 2022	7,205	4,526	1,364	4,207	17,302
Additions	-	55	32	1	88
Disposals	-	(2,344)	(270)	-	(2,614)
As at 31 July 2023	**7,205**	**2,237**	**1,126**	**4,208**	**14,776**
Accumulated Depreciation					
As at 1 August 2022	954	4,028	786	2,875	8,643
Adjustments	33	24	4	21	82
Charge for the year	376	273	107	231	987
Eliminated on disposal	-	(2,343)	(264)	-	(2,607)
As at 31 July 2023	**1,363**	**1,982**	**633**	**3,127**	**7,105**
Net book value as at 31 July 2022	6,251	498	578	1,332	8,659
Net book value as at 31 July 2023	**5,842**	**255**	**493**	**1,081**	**7,671**

16. Investments

The Group held investments at 31 July 2023 of £72,966k (2022: £72,204k) made up of investments in funds of £71,828k (2022: £71,200k), other equity investments of £938k (2022: £804k) and investment in affiliates of £200k (2022: £200k).

An unrealised gain of £931k (2022: gain £3,302k) has been reported due to the change in value of investment funds held during the year. The amount disclosed as unrealised gain is grossed up to account for charges included in the £628k shown as movement on investment funds.

Group	**Total £'000**
Investment funds	
As at 1 August 2022	71,200
Unrealised gain on investments	628
Investment funds as at 31 July 2023	**71,828**
Other Equity Investments	
As at 1 August 2022	**804**
Additions	192
Disposals	(52)
Provision for impairment	(6)
Other Equity Investments as at 31 July 2023	**938**
Investments in affiliates	
As at 1 August 2022	**200**
Investments in affiliates as at 31 July 2023	**200**
Total investments as at 31 July 2022	**72,204**
Total investments as at 31 July 2023	**72,966**

Charity	**Total £'000**
Investment funds	
As at 1 August 2022	**71,200**
Unrealised gain/(loss) on investments	628
Investment funds as at 31 July 2023	**71,828**
Other Equity Investments	
As at 1 August 2022	**804**
Additions	192
Disposals	(52)
Provision for impairment	(6)
Other Equity Investments as at 31 July 2023	**938**
Investments in subsidiaries and affiliates	
As at 1 August 2022	**32,089**
Investments in subsidiaries and affiliates as at 31 July 2023	**32,089**
Total investments as at 31 July 2022	**104,093**
Total investments as at 31 July 2023	**104,855**

Investment Funds

As at 31 July 2023 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 2023 £'000
L&G Future World Climate	70,300,128	0.748	52,549
Ruffer Global Funds	5,760,056	1.679	9,671
Savills Investment Management	5,739,140	1.249	7,166
Managed by Rathbone Investment Management Limited:			
Government Bonds and Invested Cash			30
Equity Risk Investments			1,799
Diversified Fund Investments			613
Other Equity Investments			
Emerge Venture Partners I LP Investment			790
Angel Investments			148
Investments in affiliates by company			
Unitu Limited			200
			72,966

Holdings as at 31 July 2022 were as follows:

Fund	No of units	Price £	Total 2022 £'000
L&G Future World Climate	70,300,128	0.714	50,215
Ruffer Global Funds	5,760,056	1.719	9,903
Savills Investment Management	5,739,140	1.495	8,579
Managed by Rathbone Investment Management Limited:			
Government Bonds and Invested Cash			54
Equity Risk Investments			1,833
Diversified Fund Investments			615
Other Equity Investments			
Emerge Venture Partners I LP Investment			598
Angel Investments			207
Investments in affiliates by company			
Unitu Limited			200
			72,204

[6] Unit price rounded to 3 decimal places

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 trading subsidiaries, Jisc Services Limited and Jisc Commercial Limited.

During the year, Jisc set up a new 100% owned company based in Singapore called Jisc International Apac Pte. Ltd and acquired a 100% interest in Higher Education Statistics Agency Limited and HESA Services Limited.

Jisc Liberate Managed Services Limited, Higher Education Statistics Agency Limited and HESA Services Limited were all dormant at the year end and in the process of being dissolved.

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
Higer Education Statistics Agency Limited (from 4 October 2022)	4 Portwall Lane, Bristol, BS1 6NB
HESA Services Limited (from 4 October 2022)	4 Portwall Lane, Bristol, BS1 6NB
Jisc Liberate Managed Services Limited	4 Portwall Lane, Bristol, BS1 6NB
Jisc International Apac Pte. Ltd	16 Raffles Quay, Hong Leong Building, Singapore (048581)
Unitu Limited	2 Viscount House, 8 Lakeside Drive, London, United Kingdom, NW10 7GS

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
Jisc Services Limited	England & Wales	Development and maintenance of the Janet network and connected services and provision of digital content for the education and research sector	100%	90,924	(86,021)	4,903	46,506	36,184	10,322
Jisc Commercial Limited	England & Wales	Provides public enterprise withaccess to JISC's infrastructure	100%	11,405	(9,254)	2,151	16,868	7,475	9,393
Jisc International Apac Pte. Ltd	Singapore	Provides technical support services within the Asia and Pacific region for Jisc Group	100%	-	-	-	-	-	-
Unitu Limited	England &Wales	Provides information technologyservice activities	22%	214	(182)	32	175	(57)	118

17. Debtors

	Group		Charity	
	2023	2022	**2023**	2022
	£'000	£'000	**£'000**	£'000
Trade debtors	8,022	8,579	1,497	1,960
Amounts owed by Group undertakings	-	-	8,242	3,305
Other taxation & social security debtor	12,145	15,245	12,145	15,245
Other debtors	20	-	45	-
Prepayments	11,995	10,125	2,207	1,114
Accrued income	1,848	2,058	248	335
	34,030	**36,007**	**24,384**	**21,959**

Trade debtors are reviewed for impairment and are shown at their amortised cost. An impairment provision of £64k has been recognised in the year (2022: £167k) and has been charged to charitable activities expenditure of £42k (2022: £71k) and other trading activities of £22k (2022: £96k) in the Statement of Financial Activities. No impairment provisions are recognised against charity debtors (2022: £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 32).

Amounts owed by Group undertakings:

	Charity	
	2023	2022
	£'000	£'000
Jisc Commercial Limited	8,146	3,274
Jisc International APAC PTE. Ltd	96	31
	8,242	**3,305**

18. Creditors: amounts falling due within one year

	Group		Charity	
	2023	2022	**2023**	2022
	£'000	£'000	**£'000**	£'000
Trade creditors	6,430	5,450	1,214	948
Amounts owed to Group undertakings	-	-	9,522	3,099
Other taxation & social security	3,362	2,756	1,695	1,324
Other creditors	2,259	1,705	1,221	1,077
Accruals	13,111	10,617	7,862	5,628
Deferred income (note 19)	9,710	11,937	990	2,344
Net agency creditor	24,868	14,284	-	-
	59,740	**46,749**	**22,504**	**14,420**

Included within other creditors is an amount owed to pension funds of £1,001k (2022: £1,001k).

Amounts owed to Group undertakings:

	Charity	
	2023	2022
	£'000	£'000
Jisc Services Limited	**9,522**	3,099

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

19. Deferred income

Income has been deferred where services or goods issued to beneficiaries 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 had not yet been met.

	Group		Charity	
	2023	2022	**2023**	2022
	£'000	£'000	**£'000**	£'000
Deferred income brought forward	11,937	9,445	2,344	1,360
Released in year	(11,937)	(9,445)	(2,344)	(1,360)
Deferred in year	9,710	11,937	990	2,344
	9,710	**11,937**	**990**	**2,344**

20. Provision for liabilities

	Group		Charity	
	2023	2022	**2023**	2022
	£'000	£'000	**£'000**	£'000
Pension provision (note 29)	29,078	30,778	28,905	30,535
Other provisions	2,580	1,868	2,580	1,868
	31,658	**32,646**	**31,485**	**32,403**
The above is analysed as follows:				
Due within one year	3,322	3,902	3,318	3,819
Due after more than one year	28,336	28,744	28,167	28,584
	31,658	**32,646**	**31,485**	**32,403**

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	
	2023	2022	**2023**	2022
	£'000	£'000	**£'000**	£'000
Due within one year	742	2,034	738	1,951
Due after more than one year	28,336	28,744	28,167	28,584
	29,078	**30,778**	**28,905**	**30,535**

Other provisions

	Group		Charity	
	2023	2022	**2023**	2022
	£'000	£'000	**£'000**	£'000
Balance brought forward 1 August 2022	1,868	610	1,868	610
Net Movement	712	1,258	712	1,258
Balance carried forward 31 July 2023	**2,580**	**1,868**	**2,580**	**1,868**

Provision has been made for £2,109k of property lease dilapidations (2022: £1,313k). The remainder of the provisions amount relates to other provisions.

21. Restricted income funds

Group

	2023	2022
	£'000	£'000
Balance brought forward 1 August 2022	10,819	12,559
Incoming resources	20,513	20,794
Resources expended	(19,583)	(13,779)
Fixed assets purchased and transferred to unrestricted funds	(5,163)	(8,755)
Receipt of restricted reserve from merger	2,149	-
Balance to carry forward 31 July 2023	**8,735**	**10,819**

Charity

	2023	2022
	£'000	£'000
Balance brought forward 1 August 2022	64,452	45,976
Incoming resources	20,451	20,701
Resources expended	(8,928)	(2,106)
Fixed assets purchased and transferred to unrestricted funds	-	(119)
Receipt of restricted reserve from merger	2,149	-
Balance to carry forward 31 July 2023	**78,124**	**64,452**

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.

Of the £2,149k restricted reserve received as part of the merger, £640k has been spent in the year with £1,509k remaining at the year end.

22. Unrestricted income funds

Group

	Total £'000	General unrestricted fund £'000	Designated funds: Grant funded assets £'000	Designated funds: Restructuring fund £'000
Balance b/fwd 1 August 2022	**103,023**	**86,264**	**16,187**	**572**
Net (outgoing) / incoming resources	(5,510)	(5,510)	-	-
Unrealised gains	931	931	-	-
Transferred from restricted	5,163	5,163	-	-
Balance c/fwd 31 July 2023	**103,607**	**86,848**	**16,187**	**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 £'000	General unrestricted fund £'000	Designated funds: Grant funded assets £'000	Designated funds: Restructuring fund £'000
Balance b/fwd 1 August 2022	**61,540**	**53,385**	**7,583**	**572**
Net (outgoing) / incoming resources	(19,874)	(19,874)	-	-
Gift aid payment from Jisc Services Ltd	3,300	3,300		
Balance c/fwd 31 July 2023	**44,966**	**36,811**	**7,583**	**572**

23. Analysis of net assets between funds

Group	**Unrestricted Funds £'000**	**Restricted Funds £'000**	**Total 2023 £'000**	Unrestricted Funds £'000	Restricted Funds £'000	**Total 2022 £'000**
Fixed assets	104,908	-	104,908	106,518	-	**106,518**
Current assets	90,097	8,735	98,832	75,900	10,819	**86,719**
Current liabilities	(63,062)	-	(63,062)	(50,651)	-	**(50,651)**
Non-current liabilities	(28,336)	-	(28,336)	(28,744)	-	**(28,744)**
Total	**103,607**	**8,735**	**112,342**	**103,023**	**10,819**	**113,842**

Charity	Unrestricted Funds	Restricted Funds	Total 2023	Restated Unrestricted Funds	Restricted Funds	Restated Total 2022
	£'000	**£'000**	**£'000**	£'000	£'000	£'000
Fixed assets	113,759	-	113,759	114,217	-	**114,217**
Current assets	(14,804)	78,124	63,320	(5,854)	64,452	**58,598**
Current liabilities	(25,822)	-	(25,822)	(18,239)	-	**(18,239)**
Non-current liabilities	(28,167)	-	(28,167)	(28,584)	-	**(28,584)**
Total	**41,666**	**78,124**	**123,090**	**61,540**	**64,452**	**125,992**

24. 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	
	2023 £'000	2022 £'000	**2023 £'000**	2022 £'000
Land and buildings				
Not later than one year	1,039	1,229	1,039	1,229
Later than one year and not later than five years	5,346	3,819	5,346	3,819
Later than five years	747	1,028	747	1,028
	7,132	**6,076**	**7,132**	**6,076**

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

	2023 £'000	2022 £'000
Net expenditure for the reporting period (as per Statement of Financial Activities)	**(2,431)**	**(10,323)**
Adjustments for:		
Interest	(717)	(296)
Pension deficit contributions paid	(2,170)	(2,067)
Loss on disposal of fixed assets	(7)	15
Write off investments	58	35
Depreciation on tangible fixed assets	5,079	4,226
Amortisation of intangible assets	2,685	2,859
Decrease/(Increase) in debtors	1,977	14,888
Increase/(Decrease) in creditors and provisions	13,157	13,698
Unwinding of discount on pension provision	1,016	1,011
Other including unrealised gains	310	-
Net cash provided by operating activities	**18,957**	**24,046**

Analysis of net funds

	Group		Charity	
	2023 £'000	2022 £'000	**2023 £'000**	2022 £'000
Cash at bank and in hand	33,765	20,435	7,899	6,362
Cash equivalents	31,037	30,277	31,037	30,277
Total cash and cash equivalents	**64,802**	**50,712**	**38,936**	**36,639**

26. 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.

27. Results of the charity

	Unrestricted fund £'000	**Restricted fund £'000**	**Total 2023 £'000**	Total 2022 £'000
Total incoming resources	82,151	20,451	102,602	90,171
Net (deficit)/surplus	(19,874)	13,672	(6,202)	(14,039)

28. Related parties

The institutions, suppliers and customers shown within the note have been declared as interests by the trustees of Jisc, members of Executive Leadership Team and the board of directors of its subsidiaries.

Year ended 31 July 2023	I&E		Balance sheet	
	Income	Expenditure	Debtors	Creditors
	£'000	£'000	£'000	£'000
Association of Colleges	1	-	7	-
Birkbeck College	359	221	77	-
Coventry University Management Services	1,198	690	510	-
Dumfries & Galloway College	19	14	31	-
GEANT Vereniging	47	104	562	-
Higher Education Funding Council for Wales (HEFCW)	2,023	-	-	15
Hull College	25	1	23	-
IDP Connect	23	-	-	-
NARIC/ENIC	1	-	-	-
National Centre for Universities and Business (NCUB) Taskforce	-	6	-	-
Office for National Statistics (ONS)	52	-	37	-
Royal Holloway, University of London	854	6	196	-
Russell Group of Universities	7	-	-	-
St Antony's College, University of Oxford	4,528	1,186	103	-
Swansea University	1,808	661	202	-
The Tech Partnership	49	-	1	-
Universities UK	-	-	5	-
Universities Wales	10	13	2	-
University College London	6,753	2,037	277	3
University of Derby	546	4	247	-
University of Essex	2,084	688	365	4
University of Exeter	2,269	682	473	-
University of Southampton	2,806	14	590	-
University of West London	394	173	24	-
University Recruitment & Global Partnerships at Leeds Beckett University	935	486	-	8
West London College	54	20	18	-
York College	64	25	36	-
Yorkshire Universities	2	-	-	-
	26,911	**7,031**	**3,786**	**30**

Year ended 31 July 2022	I&E		Balance sheet	
	Income	Expenditure	Debtors	Creditors
	£'000	£'000	£'000	£'000
Advance HE	34	-	12	-
Association of Colleges	11	22	-	3
Birkbeck College	305	1	28	3
Dumfries & Galloway College	18	-	11	-
GEANT	452	987	9	62
Grimsby Institute of Further and Higher Education, part of the TEC Partnership	128	12	24	-
GuildHE	1	-	2	-
HEANet	161	-	29	-
HESA Ltd	47	583		-
Higher Education Funding Council for Wales (HEFCW)	2,145	-	1	-
Hull College	86	-	1	-
National Science Museum	1	-	-	1
Office for National Statistics (ONS)	4	-	-	-
Oxford Brookes	617	224	5	-
Pearson College Governing Body	2	-	-	-
Royal Holloway, University of London	911	13	36	-
Staffordshire University	589	85	107	-
StudyPortals	2	-	-	2
Sunderland University	626	42	48	3
Swansea University	1,654	157	18	-
The Russell Group of Universities	7	-	-	-
Tribal Group	-	-	4	-
Universities UK	16	13	-	1
University College of Estate Management	18	-	-	-
University of Essex	1,830	77	114	3
University of Exeter	1,988	58	121	-
University of Oxford	3,980	419	372	-
University of Southampton	2,898	121	160	-
West London College	17	-	-	-
York College	55	-	4	-
	18,603	**2,814**	**1,106**	**78**

Footnotes

HEFCW is listed as a Related Party. It provides grant funding as it is a Jisc funding body.

29. 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 2020 (the valuation date), which was carried out using the projected unit method.

Contributions for the year were £7,311k (2022: £6,958k). As the USS scheme is in deficit, the Group recognises a liability in relation to its contractual obligation to contribute to covering this deficit. A provision of £29,078k (2022: £30,778k) was recognised on the Group's balance sheet, a provision of £28,905k (2022: £30,514k) was recognised on the charity's balance sheet.

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

	Group		**Charity**	
	2023	2022	**2023**	2022
	£'000	£'000	**£'000**	£'000
Brought forward	30,778	13,966	30,514	13,870
Deficit contribution paid	(2,170)	(765)	(2,067)	(761)
Unwinding of discount	1,016	121	1,011	121
Change in expected contributions	(546)	17,456	(553)	17,284
Balance carried forward	**29,078**	**30,778**	**28,905**	**30,514**

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

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 2020 valuation was the sixth valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £66.5 billion and the value of the scheme's technical provisions was £80.6 billion indicating a shortfall of £14.1 billion and a funding ratio of 83%.

The key financial assumptions used in the 2020 valuation are described below. More detail is set out in the Statement of Funding Principles.

CPI assumption	Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves less: 1.1% p.a. to 2030, reducing linearly by 0.1% p.a. to a long term difference of 0.1% p.a. from 2040
Pension increases (subject to a floor of 0%)	CIP assumption plus 0.05%
Discount rate (forward rates)	Fixed interest gilt yield curve plus Pre-retirement: 2.75% p.a. Post-retirement:1.00% p.a.

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 2020 actuarial valuation. The mortality assumptions used in these figures are as follows:

2020 valuation

Mortality base table	101% of S2PMA "light" for males and 95% of S£PFA for females.
Future improvements to mortality	CMI_2019 with a smoothing parameter of 7.5, an initial addition of 0.5% pa 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:

	2023	**2022**
Males currently aged 65 (years)	24.0	23.9
Females currently aged 65 (years)	25.6	25.5
Males currently aged 45 (years)	26.0	25.9
Females currently aged 45 (years)	27.4	27.3

A new deficit recovery plan was put in place as part of the 2020 valuation, which requires payment of 6.2% of salaries over the period 1 April 2022 until 31 March 2024 at which point the rate will increase to 6.3%. The 2022 deficit recovery liability reflects this plan. The liability figures have been produced using the following assumptions:

	2023	**2022**
Discount rate	5%	3.31%
Pensionable salary growth	2%-5%	n/a

The employers' contribution rates are as follows:

Effective date	**Rate**
1 April 2022 to 31 March 2024	21.60%
1 April 2024 to 30 April 2038	21.40%

Civil Service pensions

Pension benefits, for three (2022: four) employees who transferred from HEFCE, are provided through the Civil Service pension arrangements. The statutory arrangements are unfunded with the cost of benefits met by monies voted by parliaments each year. Employee contributions are salary-related and range between 4.6% and 7.35% of pensionable earnings. The rate for employers' contributions range between 26.6% and 30.3% and is charged directly to the SoFA.

Group and company contributions to this scheme in 2023 totalled £76k (2022: £72k).

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 two active members. Group contributions were £17k in the year (2022: £16k).

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 493 active members and contributions within the Group were £1,486k (2022: £440k).

Contributions on these schemes are charged to the SoFA as incurred. This includes an amount of £217k (2022: £59k), outstanding at the balance sheet date. £nil (2022: £nil) of the contributions for these defined contribution plans were funded through restricted funds.

30. Taxation

As a registered charity, Jisc is entitled to certain tax exemptions on income and profits from investments and 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 (2022: £nil).

31. Contingent assets and liabilities

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 2020-21, Jisc agreed a claim totalling £20,979k, net of professional charges, with HMRC for the recovery of historic input VAT from previous years. 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.

32. Other Income – Gift of Reserve

The Gift of Reserve 2023 of £2,149k reflects the transferred reserves of HESA at 3 October 2022 upon the merger of the HESA group with Jisc. At the point of merger Jisc assumed all liabilities and assets of the HESA Group (see note 34).

33. Financial commitments

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

	2023 £'000	2022 £'000
Contracts for future capital expenditure not provided in the financial statements – equipment	2,928	4,259

34. Transfer of activities to Jisc from HESA

On 30 September 2022 the Board passed the necessary resolutions to enable Jisc to become the sole member of the Higher Education Statistics Agency (HESA), together with its subsidiaries, with an effective date of 4 October 2022. This transaction was known as the “HESA merger”.

HESA is a charity which collects, processes and publishes data about higher education in the UK.

The HESA merger was a business combination that was enacted by way of an Asset Purchase Agreement that saw all of the trade and assets of HESA transferred to Jisc. Accordingly, this was accounted for by way of acquisition accounting. The impact of the HESA merger is described in more detail in the ‘Financial Performance and Strategy’ section of the Strategic report.

The net assets acquired by Jisc as a consequence of this transaction at book value are summarised as follows:

	Book value 03/10/2022 £’000
Tangible assets	55
Assets not capitalised in Jisc	167
Debtors	1,008
Cash	10,819
Creditors	(5,760)
Long term liabilities - pension creditor	(2,144)
Long term liabilities - provisions	(423)
Short term liabilities - pension creditor	(1,573)
Reserves	(2,149)

The net transfer has been accounted for as incoming resources in the SoFA. There were no fair value adjustments, and no unrealised gains or losses, to income or expenditure to bring assets in line with Jisc accounting policies. The £2,149k of reserves consists of (£194k) result in HESA for the period to 3 October 2022 and £2,343k of accumulated reserves. The assets not capitalised in Jisc represents items below the relevant threshold in Jisc.