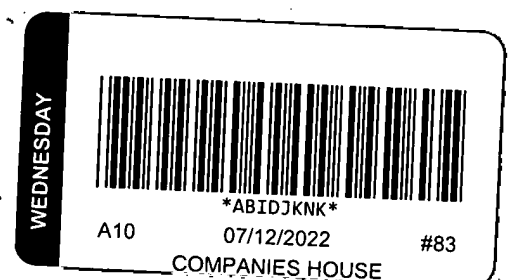


Jisc Services Limited

Annual Report and Financial Statements

Year ended 31 July 2022

Company registration number: 02881024



The Jisc logo consists of the word "Jisc" in a white, sans-serif font, centered within a solid black square.

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Strategic Report

The directors present their strategic report for the year ended 31 July 2022. Jisc Services Limited (JSL) is a subsidiary of Jisc and delivers services to the sector on Jisc's behalf.

Jisc's vision and aim

Jisc is the UK's digital agency for lifelong learning and research.

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

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

Our work is UK wide, providing services and support to universities, colleges, schools, research institutes and many other national institutions. We are a membership organisation, working to deliver considerable collective digital advantage, financial savings and efficiencies for our members, ensure these benefits are sustained and enhanced and to do all this as affordably, efficiently and as cost effectively as possible.

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



Cloud – consultancy, support and reseller of cloud services



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



Connectivity – network connection services and infrastructure



Student experience – tools to enrich learning and employability



Cyber security – protecting the network and member organisations



Trust and identity – manage access to systems efficiently and effectively



Data analytics – address strategic challenges through data



Advice and guidance – guides, training and consultancy



Activities and performance 2021-22

Our strategy and the key activities through which we deliver it are supported by Jisc (the charity) and its subsidiary companies working together across the Group structure (see the legal status of JSL section on page 6 for more information about the Jisc Group and subsidiary companies). Full information about our performance is included in the Jisc Trustees' Report and Financial Statements 2021-22.

Our strategy for 2021-22 applies across the Jisc group – this is included in the Jisc Trustees' Report and Financial Statements 2021-22.

Companies Act 2006 section 172 statement

As described above, JSL works within the overall strategy and priorities set by the Board of Trustees of Jisc and implemented across the Jisc Group. As such, the section 172 statement for Jisc applies (see the Jisc Trustees' Report and Financial Statements 2021-22). The JSL board discussions include reviews of financial performance, approval of the annual business plan and budget, review of the Annual Report and Financial Statements and other necessary business.

The JSL board receives health and safety reports which provides information and data relevant to the small number of employees employed by the company. Employee wellbeing and engagement matters are managed through the Jisc Group.

Financial performance and strategy

Total income for the year was £90.9m (2021: £81.8m restated), with income from Jisc accounting for £61.3m (2021: £54.1m) and charges for services being £25.6m (2021: £22.9m restated). Services provided to Jisc increased by £7.2m across all revenue streams provided.

Charges for services, most of which is the sale of additional connectivity to members, has increased to £25.6m from £22.9m - £2.3m of this increase is from these connectivity sales with the remainder being from activity such as the sale of consultancy, cloud, data analytics and verifications services.

Cost of sales in the year was £71.9m (2021: £71.2m restated). The increase is made up of £2.4m relating directly to the increase in connectivity sales, offset by a decrease in depreciation as a result of a review of the useful economic life of network assets. The delays in Janet Access Programme have meant that these assets are in use longer than previously expected and this estimate has been changed from three years to five years. As the way in which the network is run and upgraded is changing this estimate will be reviewed annually.

Administrative expenses have increased from £10.6m to £14.1m, with an increase in the management charges as a result of the increase in activity and additional foreign exchange losses.

Licences sold by Jisc Services Ltd through Jisc Collections

The 2020-21 financial statements accounted for Chest licences sold on an agency basis but the Collections licences were accounted for on a principal basis with the income shown gross. Following a review of contracts placed with both the Chest and Collections publishers it is now considered that JSL acts as an agent when reselling these licences to its customers. The change to income and expenditure in prior year are shown below and further detail is shown in notes 3,5 and 16 to the financial statements.

	Restated	Published
	31 July 2021	31 July 2021
	£'000	£'000
Income	81,798	154,364
Expenditure	71,193	143,759



JSL Funding by Jisc Charity

The 2020-21 financial statements accounted for the funding of Jisc Services Ltd by Jisc charity as a grant from Jisc charity to Jisc Services Ltd. Purchases of fixed assets by Jisc Services Ltd were also funded by the Jisc charity through a capital grant to Jisc Services Ltd which was deferred and released to the profit and loss account to match the associated depreciation. Following a review it has been agreed that this accounting treatment was incorrect and that the funds from Jisc to Jisc Services Ltd relate to trading income for services provided by Jisc Services Ltd to Jisc charity. There is a Management and Supervision Agreement in place between the two entities that details this service charge. The 2021-22 financial statements along with the 2020-21 prior year figures (restated) reflect the revised treatment (see notes 5 and 16).

Net assets at 31 July 2022 were £10.3m (2021: £5.4m). Cash at 31 July 2022 was £11.6m (2021: £6.3m).

Principal risks and uncertainties

The principal risks and uncertainties of JSL are integrated with the risks identified in the Jisc Trustees' Report and Financial Statements 2021-22 and can be found under the Principal Risks and Uncertainties section of the Strategic Report in that document.

Approved and authorised for issue by the Jisc Services Limited Board and signed on its behalf by:


Heidi Fraser-Krauss
Jisc Services Limited
Chair
30 November 2022



Directors' Report

The directors present their report and audited financial statements for the year ended 31 July 2022.

Jisc and JSL share a mutuality of interest to support Jisc's charitable objectives. Jisc's work for its sectors sits in the charity, and JSL, with suitable separation from the charity, facilitates the operation of commercial activities.

The directors will act in the way they consider would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- a) The likely consequences of any decision in the long term
- b) The interests of the company's employees
- c) The need to foster the company's business relationships with suppliers, customers and others
- d) The impact of the company's operations on the community and the environment
- e) The desirability of the company maintaining a reputation for high standards of business conduct, and
- f) The need to act fairly as between members of the company.

What Jisc Services Limited does

As a wholly owned subsidiary of Jisc and in the context of supporting Jisc's charitable objectives, JSL contributes to the purpose of Jisc. On behalf of Jisc, JSL delivers products and services to higher and further education organisations, as well as a range of other customers including research councils, government organisations, health providers, schools and libraries.

Jisc may from time to time contract with third parties and will require JSL to perform certain services as its sub-contractor in order to fulfil those contracts. Further information is available in the Plans for Future Periods section of this report on page 11.

Legal and administrative information

Registered and principal office address

4 Portwall Lane
Bristol
BS1 6NB

Company registration number: 02881024

Registered in England and Wales

Company secretary: Alice Colban

Independent auditors

Grant Thornton UK LLP
30 Finsbury Square
London
EC2A 1AG

Solicitors

DAC Beachcroft
25 Walbrook
London
EC4N 8AF

Bankers

HSBC
186 Broadway
Didcot
OX11 8RP

JSL is a company limited by guarantee and operates under bespoke Articles of Association.



Directors

The directors of the company who were in office during the year and up to the date of signing the financial statements (except where indicated) were:

Name	Role
Dr Paul Feldman (until 15 September 2021)	Chief executive officer
Heidi Fraser-Krauss (from 16 September 2021)	Chief executive officer
Nicola Arnold	Chief financial officer
Alice Colban	Deputy chief executive and chief operating officer (company secretary)
Steve Kennett (until 1 October 2022)	Executive director, e-infrastructure

Executive Leadership Team

The members of the ELT responsible for managing the day to day activities of the company can be found on page 23 of the Jisc Trustees Report 2021-22.

Legal status of Jisc Services Limited

Jisc Services Limited (company number 02881024) is a wholly owned subsidiary of Jisc, a charitable company limited by guarantee (company number 05747339). Both Jisc and JSL are registered in England and Wales.

As charity trustees, the directors of Jisc have a duty to exercise oversight of JSL in order to safeguard, promote and achieve the charitable objectives of Jisc. In discharge of that duty, a Management and Supervision Agreement sets out how JSL will carry on its business. This Agreement exists to guide the working practices between Jisc and JSL and in no way compromises the fiduciary duties of the directors of Jisc Services Limited under the Companies Act 2006.

The liability of Jisc as a member of JSL is limited to a maximum of £1. This liability will apply for the duration of membership of the company and for one year beyond the end of membership.

As the sole member of JSL, Jisc has rights according to provisions in the Companies Act 2006. Further information on the types of decision that can be made by Jisc with regard to JSL is included in the JSL Articles of Association.

Funding and income

JSL received just under two thirds of its funding from Jisc in the reporting year. Further information on the business model is included in the Jisc Trustees' Report and Financial Statements 2021-22.

In order to carry on the business retained by JSL and other future activities, JSL requires access to certain services, resources and facilities. An Intra-group Operating Agreement is in place to describe the services that Jisc will provide to JSL in this regard, the services that JSL undertakes to deliver to Jisc's customers on behalf of Jisc and the funding associated with delivery of retained services.

Company objects

The JSL objects are stated in the company Articles of Association and ensure that the company works within the overall strategy, priorities and allocation of responsibilities across the Jisc Group set by the Board of trustees of Jisc.



Governance and management

Jisc operates a governance structure aligned to the principles and recommended practice of the Charity Governance Code. As a wholly owned subsidiary, the same principles and practices are applied to the governance of JSL.

Role of directors

In discharging their responsibilities, directors must act solely in the interests of the company. Directors are subject to the directors' duties described in sections 171-178 and section 184 of the Companies Act 2006.

Responsibilities of directors

The directors have ultimate responsibility for directing the affairs of the company. To ensure that directors are able to appropriately discharge their duties, they are expected to make every effort to attend Board meetings and to participate fully in discussions. There have been no issues of concern regarding non-attendance at meetings in the reporting year.

Appointment of chair and directors

The JSL chair is the chief executive officer of Jisc. The role of chair is held by virtue of the position of Jisc chief executive officer. The directors of the company are a subset of the Executive Leadership Team (ELT) and hold their position as directors of JSL by virtue of their positions as members of the ELT.

Remuneration of directors

No remuneration is paid to any JSL director for holding this position. The directors are remunerated for the roles they hold within the ELT. In line with Jisc's staff travel and subsistence policy, actual costs are refunded to directors on submission of a claim with supporting receipts.

Directors' indemnity insurance

Directors' indemnity insurance provides insurance cover for directors against claims which may arise from their legitimate actions as directors. Insurance is in place for all directors through the course of their appointment with JSL.

Key Board committees

The Jisc group has four standing committees that have responsibility for all companies in the Group. Reports from the committees are regularly received by the Jisc board. Each company board remains responsible for the activity delegated to these committees. The committees are:

- Audit and Risk Management committee
- Finance and Treasury committee
- Nominations and Governance Committee
- Remuneration 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 at <https://www.jisc.ac.uk/about/corporate/structure-and-governance>.



Jisc Services Limited Board and internal control

The Jisc Board is ultimately responsible for the charitable company's system of internal control and for reviewing its effectiveness. Such a system of internal control 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. The internal controls in place in Jisc equally apply to JSL.

The JSL Board normally meets three times a year for formal meetings. By virtue of their positions as the ELT, and acting in that capacity, JSL directors also participate in an annual strategy-focussed away day with the Jisc Board. An annual business plan and budget for JSL is approved by the board in the context of the wider Jisc operating plan and budget and the Jisc board receives updates from JSL through the year.

As described in the Key Board Committees section above, a number of cross-Jisc Group committees exist. While authority is delegated to these committees by subsidiary company boards, responsibility continues to reside with the board of each company. The JSL Articles of Association clearly identify areas of responsibility which cannot be delegated.

Day to day running of JSL is delegated to the ELT as described in the Legal and administration section of this report.

Risk Management Framework

The following key principles outline the approach to risk management in place for Jisc and JSL:

- The Jisc board has responsibility for overseeing risk management within Jisc as a whole.
- The Jisc board encourages well-managed risk taking where it has good potential to realise sustainable improvements in service delivery and value for money.
- The Jisc board encourages Jisc to use the risk assessment as a means of assessing the opportunities, as well as threats, for operations.
- An open and receptive approach to solving risk problems is adopted by the Board.
- The ELT supports, advises and implements decisions agreed by the board.
- Decision making and planning should be supported by risk assessment and management at a Jisc-wide, Jisc directorate, service or project level.

Full information on the approach to risk management, internal controls and key risks can be found in the Jisc Trustees' Report and Financial Statements 2021-22.

Appointment of Independent Auditors

A procurement process was undertaken in Autumn 2019 to appoint an external auditor for the 2019-20 audit. Grant Thornton UK LLP were successful in this process and were appointed as the Jisc Group external auditor. They have continued as the Jisc Group external auditor for the 2021-22 audit. Grant Thornton UK LLP are deemed reappointed pursuant to section 487 of the Companies Act 2006.



Financial policies and risks

Financial policies

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

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

Both policies were reviewed by the Finance and Treasury committee in 2021-22 and will be presented to the Jisc board for approval in November 2022.

Financial risk management

JSL received just under two thirds of its funding Jisc. Jisc, in turn, received funding from the UK higher and further education funding bodies. Jisc and Jisc Services Limited have agreements in place with the United Kingdom higher and further education and research funding bodies which incorporate the activities of Jisc Services Limited and which defines, inter alia, Jisc Services Limited's accountability for public funds.

JSL accounts partly on a cash basis throughout the year, drawing up a balance sheet and income and expenditure account on an accruals basis at the year end. The forecast out-turn for the financial year is reviewed at every board meeting.

JSL does not use any financial instruments to manage financial risk.

Price risk

JSL leases telecommunications links on a fixed price basis and is not exposed to commodity price risk. JSL has no exposure to equity securities price risk, as it holds no listed or other equity investments. Price risk associated with subscriptions is managed by the use of fixed term contracts.

Credit risk

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

Liquidity risk

The historical funding regime for JSL resulted in minimal exposure to liquidity risk. The company managed the stability of its cash flows by submitting a payment profile to Jisc and drawing down cash on a monthly basis. Commitments were not made to third parties prior to the company securing the necessary funding agreement. JSL is exposed to the risk of future funding constraints as a result of Government spending cuts. Jisc continues to ensure that, as a top priority, JSL continues to receive appropriate levels of financial support. See the basis of accounting set out in note 3 to the Financial Statements.

Interest rate cash flow risk

Jisc may from time to time place funds on interest-bearing deposit on behalf of the Jisc Group. These are short-term deposits and JSL is not exposed to risk from fluctuations in interest rates.

Going Concern

Management have undertaken a review of the business, for the period up to 31 July 2024, 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 the strong balance sheet and healthy reserves position which Jisc has, even after the increase in the pension provision, management believe that Jisc is financially sustainable over the next twelve months

Management has determined that there is no material uncertainty that casts doubt on Jisc's ability to continue as a going concern. Jisc provided a letter of support to JSL in November 2022 confirming continued financial and operational support, for a period of at least 12 months from the date of approval of these financial statements.

At its meeting on 22 June 2022, the board of directors resolved to make a donation under gift aid of the profits available for distribution of the Company at 31 July 2022 to Jisc as sole member. The donation will be subject to the Company having distributable profits in the year ending 31 July 2022. The donation will be calculated by reference to the Company's annual audited accounts for the year ending 31 July 2022. The donation would be paid within nine months of the end of the financial year, by 30 April 2023 at the latest. The donation would be limited to the taxable profits for the Company for the year ended 31 July 2022, but not exceeding distributable profits. It was agreed that this amount would be calculated in due course.

Results and dividends

The statement of comprehensive income is set out on page 17. The surplus for the year after tax is £4.9m (2021: £nil). The directors consider the results for the year and the year-end financial position, to be satisfactory. In particular, maintaining a prudent level of reserves is essential as changes to the funding strategies for the research and education sector continue to develop.

Jisc Services Limited is prohibited from paying dividends under the terms of its Articles of Association.

Use of payments received from the Office for Students

The directors confirm that payments received from, or on the instructions of, the Office for Students have been applied for the purposes for which they were provided.

Payment practices

The payment practices reports for JSL, in accordance with regulations in the Small Business, Enterprise and Employment Act 2015, can be found online.



Internal organisation

Operating model

Over the past 18 months we have continued to embed our operating model, which spans all companies in the Jisc Group. The operating model is based on the sectors that we operate within and the products and services that we offer, with underpinning shared services. On 1st Aug 2020 a formal arrangement was put in place between Jisc charity and Jisc Services Ltd to fund the working capital requirements of Jisc Services Ltd. The accounting impact of this is explained in Note 15 of the Financial Statements.

Further information can be found in the Jisc Trustees' Report 2021-22.

Staff numbers

Jisc Services Limited employed 4 staff members as at 31 July 2022 (2021: 4). These staff are included within the staff figures described in the Jisc Trustees' Report and Financial Statements 2021-22 and are subject to the same policies and procedures as described in the Internal organisation and policies section of the Jisc Trustees' Report and Financial Statements 2021-22.

Plans for future periods

Jisc will continue to develop to ensure that Jisc remains a trusted partner, a source of expertise and advice, and continues to provide a world class range of high-quality services for customers. JSL plays a key role in providing these services.

At its meeting on 8 April 2022 the Jisc board agreed that all new commercial activity would be contracted through to Jisc Services Limited over the course of 2022-23 and the remaining contracts would be renewed in that legal entity. Jisc Commercial Limited will then be closed in 2024. Gift Aid on taxable profits would clear and corporation tax liability.



Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the directors 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 company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.
- The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of theft and other irregularities

Statement of disclosure of information to auditors

The directors who held office at the date of the approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware; and each director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Approved and authorised for issue by the Jisc Services Limited Board and signed on its behalf by:

Heidi Fraser-Krauss

Heidi Fraser-Krauss
Jisc Services Limited
Chair
30 November 2022



Independent auditor's report to the members of Jisc Services Limited

Opinion

We have audited the financial statements of Jisc Services Limited (the 'company') for the year ended 31 July 2022, which comprise the Statement of Comprehensive Income, the Balance Sheet and Statement of Changes in Equity, 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 company's affairs as at 31 July 2022 and of its loss 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 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 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 directors' 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 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 company to cease to continue as a going concern.

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

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

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

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

The Jisc logo consists of the word "Jisc" in a white, sans-serif font, centered within a solid black square.**Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions 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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement, the directors 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 directors 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 directors are responsible for assessing the 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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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



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

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

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

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

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

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the 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 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.
- 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.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur and the risk of management override of controls, by considering management's incentives and opportunities for manipulation of the financial statements. We determined that the principal risks were in relation to the potential management bias around estimation and judgemental areas of the valuation of tangible and intangible assets; and through management override of controls.
- Our audit procedures included:
 - Making enquiries of management concerning the company's policies and procedures relating to the identification, evaluation and compliance with laws and regulations; the detection and response to the risks of fraud; and the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations. We considered whether there is a culture of honest and ethical behaviour within the company and whether there is a strong emphasis of prevention and deterrence of fraud amongst those charged with governance. We also enquired with management and those charged with governance whether they were of any instances of non-compliance with laws and regulations, or whether they had any knowledge of actual, suspected, or alleged fraud;
 - Gaining an understanding of the controls that management has in place to prevent and detect fraud;



- Identifying and testing journal entries, in particular manual journal entries to revenue;
 - Challenging significant accounting assumptions, estimates and judgements made by management, including those relevant to: the areas of estimation and judgement in relation to the valuation of tangible and 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.
- The assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
 - Understanding of, and practical experience with, audit engagements of a similar nature and complexity, through appropriate training and participation; and
 - Knowledge of the industry in which the 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 and judgment in relation to the valuation of tangible and intangible assets; and through management override of controls in the preparation of the financial statements.

Use of our report

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

Grant Thornton UK LLP

Diccon Thornely
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London
30 November 2022



Statement of comprehensive income for the year ended 31 July 2022

	Note	2022 £'000	Restated 2021 £'000
Turnover	5	90,924	81,798
Cost of sales	6	(71,896)	(71,193)
Gross profit		19,028	10,605
Administrative expenses		(14,125)	(10,609)
Profit before interest and taxation		4,903	(4)
Interest receivable and similar income	7	-	4
Profit before taxation	8	4,903	-
Tax on profit	9	-	-
Profit for the financial year		-	-
Total comprehensive income for the year		4,903	-

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

All results in the year to 31 July 2022 and in the prior year derive from continuing operations.



Balance Sheet as at 31 July 2022

	Note	2022 £'000	Restated 2021 £'000
Fixed assets			
Intangible assets	12	5,728	7,390
Tangible assets	13	13,261	9,995
		18,989	17,385
Current assets			
Debtors	14	15,877	18,692
Cash at bank and in hand		11,640	6,323
		27,517	25,015
Creditors: amounts falling due within one year	15	(36,184)	(36,981)
Net current liabilities		(8,667)	(11,966)
Total assets less current liabilities		10,322	5,419
Creditors: amounts falling due after more than one year			
Net assets		10,322	5,419
Capital and reserves			
Retained earnings		10,322	5,419
Total equity		10,322	5,419

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

The financial statements on pages 17-33 were approved and authorised for issue by the Board of Directors and were signed on its behalf by:

Heidi Fraser-Krauss

Heidi Fraser-Krauss

Jisc Services Limited

30 November 2022

Registered Number: 02881024



Statement of changes in equity for the year ended 31 July 2022

	Retained Earnings £'000	Total equity £'000
Balance at 1 August 2020	6,613	6,613
Profit for the financial year	-	-
Other comprehensive income for the year	-	-
Total comprehensive income for the year	-	-
Gift aid payment to Jisc	(1,194)	(1,194)
Total transactions with owners, recognised directly in equity	(1,194)	(1,194)
Balance at 31 July 2021	5,419	5,419
Balance at 1 August 2021	5,419	5,419
Profit for the financial year	4,903	4,903
Other comprehensive income for the year	-	-
Total comprehensive income for the year	4,903	4,903
Gift aid payment to Jisc	-	-
Total transactions with owners, recognised directly in equity	-	-
Balance at 31 July 2022	10,322	10,322



Notes to the financial statements for the year ended 31 July 2022

1. General Information

Jisc Services Limited (the 'company') is a wholly owned subsidiary of Jisc, a charitable company limited by guarantee. The activities that are delivered by Jisc Services Limited on behalf of Jisc primarily fall into two categories: some aspects of the Jisc network and technology services; and the licensing, subscriptions, publishing services and legacy Jisc Collections service.

The company is a private company limited by guarantee without share capital and is incorporated and domiciled in England. The address of its registered office and principal place of operations is 4 Portwall Lane, Bristol, BS1 6NB.

2. Statement of compliance

The individual financial statements of Jisc Services Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

3. Principal accounting policies

The principal accounting policies applied in the preparation of these 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 financial statements are prepared on a going concern basis (refer to page 9), under historical cost convention and certain financial assets and liabilities measured at fair value through profit and loss. The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

(b) Income

Income is recognised when a transaction or other event results in an increase in the company'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.

Income for services

Income for services is recognised over the period when the relevant service is provided, or in line with the work being performed, whichever is most appropriate. The service income from the company's parent, Jisc, is calculated in accordance with the Management and Supervision Agreement between Jisc and JSL dated 1 August 2020 and is based on the service delivery costs incurred for the period including a 15% markup.

In the published accounts for the year ending 31 July 2021 the income received from Jisc to provide funding to JSL for the services provided was shown, incorrectly, as a grant. The prior year figures for 2021 have been restated to reflect the revised treatment. See Note 5 for more detail.



Principal versus Agent

When JSL 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 JSL 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 JSL is an agent in the transaction are usually:

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

The Chest and Collections licences sold by the company are considered to be sold on an agency basis and income reported on a net basis. Following management review of recent contracts placed with the Chest and Collections it has been noted that in the prior year the Collections licences were incorrectly accounted for on a principal basis. Therefore the income figures for the prior year ending 31st July 2021 have been restated accordingly in order to provide meaningful comparative information and are reported on a net basis. Further detail is shown in Note 5.

Interest income

Interest is recognised as earned.

(c) Intangible assets

Intangible assets are stated at historic cost less accumulated amortisation, together with any incidental cost of acquisition.

Software licences acquired with a life exceeding one year are capitalised as an intangible fixed asset.

Intangible assets are assessed for indications of impairment on an annual basis.

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 |
| • Website | 4 years |
| • Long Term Software Licences | In line with contractual terms |

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.

(d) Tangible assets

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. The useful economic life of network equipment assets has been reviewed in the year and delays in Janet Access Programme have meant that these assets are in use longer than previously expected and the estimate for useful economic life has been changed from three years to five years. As the way in which the network is run and upgraded is changing, this estimate will be reviewed annually.

- Network equipment 5 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 Statement of Comprehensive Income.

(e) Research and development expenditure

Research and development expenditure is written off in the statement of comprehensive income in the year in which it is incurred.

(f) Gift aid payments

The company makes a gift aid donation to its 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 company will consider whether there are sufficiently distributable reserves available and whether the company will be able to meet its liabilities as they fall due.

(g) Taxation and deferred taxation

The Company is a body corporate incorporated under the Companies Act 2006. Deferred tax is recognised in respect of all timing differences that have originated, but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Deferred tax assets are not discounted. Deferred tax assets are not recognised when not expected to be utilised against future profits.

The Company is a member of the Group value added tax (VAT) group and as such has incurred irrecoverable VAT.

(h) Pension costs

The company participates in the Universities Superannuation Scheme (USS), a defined benefit scheme which is contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the scheme's assets are not hypothecated to individual institutions and a scheme-wide contribution rate is set. The institution 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 and therefore, as required by FRS 102, accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the statement of comprehensive income represents the contributions payable to the scheme in respect of the accounting period. The Company also contributes to certain personal pension schemes and these contributions are charged to the statement of comprehensive income in the period to which they relate.

(i) Foreign currency

Transactions arising during the year which are denominated in foreign currencies are translated at the rate of exchange ruling at the date of the transaction. All monetary assets and liabilities at the balance sheet date are retranslated at rates of exchange ruling on that date. All exchange differences are taken to the statement of comprehensive income in the year in which they arise.

The company's functional and presentational currency is the pound sterling.

(j) 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 on a straight-line basis over the period of the lease.



(k) Financial instruments

The company 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.

Disclosure exemptions

Exemptions for qualifying entities under FRS 102

As permitted by FRS 102, the company has taken advantage of the following disclosure exemptions available under the standard:

- (i) the requirement to prepare a statement of cash flows. [Section 7 of FRS 102 and para3.17(d)];
- (ii) the non-disclosure of key management personnel compensation in total. [FRS 102 para33.7];
- (iii) the additional requirements with respect to the disclosure of related party transactions;
- (iv) the additional requirements with respect to the disclosure of financial instruments.

Where required, equivalent disclosures are given in the consolidated financial statements of Jisc.

4. Critical accounting judgements and estimation uncertainty

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.

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

Multi-employer defined benefit pension scheme

The institution participates in the Universities Superannuation Scheme (USS), a defined benefit scheme which is contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the scheme's assets are not hypothecated to individual institutions as in the judgement of the scheme's actuary, this is not possible to do on a reasonable and consistent basis and a scheme-wide contribution rate is set. The institution 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 and therefore accounts for the scheme as if it were a defined contribution scheme. See note 18 for further details.

(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 assets and annual amortisation charge for intangible assets are 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 12 and 13 for the carrying amount of the intangible and fixed assets respectively. See note 3 (e),(f) for details of the useful economic lives.



ii) Trade Debtors

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



5. Turnover

The income, surplus and net assets are attributable to the principal activity of the provision of network and other related services to the education and research community and the provision of content and associated licensing under the Jisc Collections and Chest brands. JSL operates in the UK. Income for the year to 31 July 2022 from external customers that are non-UK based was £1,361k (2021: £1,599k) with the remainder generated in the UK.

	2022	Restated 2021
	£'000	£'000
Income from Jisc charity*	61,288	54,105
Grants from other funding bodies	1,254	1,477
Charges for services	25,574	22,910
Subscription income, agency basis**	2,808	3,306
	90,924	81,798

*JSL delivers the bulk of its services to Jisc members through the Jisc charity. The funding for these services comes from government grants awarded to the Jisc charity and from membership subscriptions paid to the Jisc charity by its members. Therefore JSL requires funding from Jisc charity for these services. Following prior year practice for the financial year ending 31 July 2021 this funding was incorrectly classified as a grant from Jisc charity to JSL, rather than as income from Jisc charity. This has been corrected in the financial statements for 2021-22 and the prior year comparative information has been restated accordingly. In prior years a capital grant was also reported from Jisc charity to fund fixed asset purchases. This accounting treatment is not correct and the capital grant accounting entries have been reversed out of the JSL and the prior year figures for deferred capital grant and amounts owed by group undertakings restated accordingly. See notes 15 and 16.

**Subscription income is income from the resell of licence subscriptions through the Chest and Collections brands. These licences are sold on an agency basis and income reported accordingly on a net basis. In 2021, the income from the sales of Collections licences was incorrectly reported on a gross basis as if JSL were acting as the principal. Therefore, in order to provide a meaningful comparative analysis, the 2021 figure for income has been restated to show the income from the resell of Collections licences on a net basis. The impact of this restatement is to reduce the income and expenditure figures by £72,565k. Gross income from licences sold on an agency basis in 2022 was £185,269k (2021: £103,152k).



6. Cost of sales

	2022 £'000	Restated 2021 £'000
Subscriptions	1,970	1,960
Connectivity	44,480	41,828
Digital Analytics and Futures	4,633	3,828
Support and liaison	-	125
Trust and Identity	2,923	2,277
Cloud	4,013	3,341
Cyber Security	8,764	8,120
Innovation	1,234	578
Depreciation	3,281	8,369
Amortisation of electronic content	598	767
	71,896	71,193

As referenced in note 5 above the expenditure costs for 2021 have been restated to account for the resell of Collections licences on a net agency basis and total expenditure costs reduced by £72,565k.

Amortisation of software licences of £1,376k (2021: nil) has been included within the Cyber Security figures.

7. Interest receivable and similar income

	2022 £'000	2021 £'000
Bank interest	-	4

8. Profit before taxation

The profit before taxation is stated after charging:

	2022 £'000	2021 £'000
Depreciation of tangible fixed assets	3,281	8,369
Operating lease charges	-	25
Amortisation of intangible fixed assets	1,974	767

The decrease in depreciation charge is due to the change in the useful economic life of network equipment increasing from three years in 2021 to five years for 2022. See note 3(d) on page 21.

The increase in amortisation charge in year is due to the change in accounting policy for intangible assets, further details are in note 12.

In accordance with SI 2008/489 the company has not disclosed fees payable to the company's auditors for 'other services' as this information is included in the consolidated financial statements of Jisc. Audit fees of £65,000 (2021: £60,000) are recognised within the company's statement of comprehensive income for the year.



9. Tax on profit

a) Taxation on surplus of income less expenditure

	2022 £'000	2021 £'000
Current tax		
United Kingdom corporation tax due for the year	-	-
Total current tax charge	-	-

b) Reconciliation of tax charge

The tax for the year is lower (2021: lower) than the applicable rate of corporation tax in the United Kingdom (2022: 19%; 2021: 19%).

The difference is explained below:

	2022 £'000	2021 £'000
Profit before taxation	4,903	-
Profit before taxation multiplied by the rate in the UK of 19% (2021: 19%)	931	-
Effects of:		
Pension contributions deductible when paid	(1)	1
Expenses not deductible/non taxable	(817)	-
Profit not taxable as transferred to parent under Gift aid multiplied by the rate in the UK of 19% (2021: 19.0%)	(645)	(227)
Losses surrendered as group relief	532	227
Total tax charge for the year	-	-

At 31 July 2022 the Company had no deferred tax assets or liabilities (2021: £nil). A deferred tax asset has not been recognised in respect of the losses carried forward on the basis that any future taxable profits will be gift aided to the parent. In respect of the year ended 31 July 2022, taxable profits for the year were gift aided to JSL's parent undertaking, Jisc. The donation was paid within nine months of the year end in accordance with HMRC regulations.

The tax rate for the current year is 19%.

10. Employee information

Of the total staff numbers listed below, 5 (2021: 5) are directly employed by the company. The remainder are employees of Jisc (the parent), but who perform their services for the company and so their employee costs are recharged in full to JSL.

The average monthly number of persons, including executive directors, employed by the company or by the parent, Jisc, during the year was:

	2022 Number	2021 Number
By activity:		
Management	7	8
Technical	233	235
Administration	-	5
	240	248



Staff costs for the above persons:

	2022	2021
	£'000	£'000
Wages and salaries	10,668	10,169
Social security costs	1,096	1,020
Other pension costs (see note 18)	2,166	1,949
	13,930	13,138

Included in the £13,930k (2021: £13,138k) total above, are staff costs of £13,716k (2021: £12,897k) who represent staff transferred to and now employed by Jisc as part of the Business Transformation Agreement in 2015 but still providing services to the company; the remaining costs are for the 4 (2021: 4) staff employed by the company directly.

11. Directors' emoluments

The emoluments of four of the five directors (including those who resigned during the year) totalling £566,800 (2021: £676,063) have been borne by the parent company and not recharged to this entity. The amounts below reflect the recharge from the parent company for the remaining director. Retirement benefits accrued to one (2021: one) director under the Universities Superannuation Scheme. Amount of benefits under this scheme accrued to the highest paid director was an annual pension of £29,109 (2021: £10,844) and a one-off lump sum of £87,328 (2021: £74,230).

	2022	2021
	£'000	£'000
Aggregate Emoluments	120	105
Company contributions to a pension scheme	24	22
	144	127



12. Intangible assets

	Rights to Electronic Content £'000	Restated Software Licences £'000	Restated Total £'000
Cost			
At 1 August 2021	11,965	8,051	20,016
Additions	-	312	312
Disposals	-	-	-
At 31 July 2022	11,965	8,363	20,328
Accumulated amortisation			
At 1 August 2021	10,703	1,923	12,626
Disposals	-	-	-
Charge for the year	598	1,376	1,974
At 31 July 2022	11,301	3,299	14,600
Net Book Value			
At 31 July 2021	1,262	6,128	7,390
At 31 July 2022	664	5,064	5,728

Following a management review the accounting policy for software licences has been changed to reflect long term software licences (those with a life exceeding one year) as intangible assets rather than as prepayments within current assets. The prior year figures for intangible fixed assets and prepayments have been restated accordingly. The net book value as at 1 August 2021 for software licences was increased by £6,128k to reflect this change in policy. Prepayments were reduced accordingly.

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

13. Tangible assets

	Network Equipment £'000
Cost	
At 1 August 2021	86,259
Additions	6,569
Disposals	(4,155)
At 31 July 2022	88,673
Depreciation	
At 1 August 2021	76,264
Charge for the year	3,281
Disposals	(4,133)
At 31 July 2022	75,412
Net Book Value	
At 31 July 2021	9,995
At 31 July 2022	13,261



14. Debtors

	2022	Restated 2021
	£'000	£'000
Trade debtors*	5,274	7,336
Amounts owed by group undertakings**	-	2,048
Taxation and social security	-	-
Other debtors	-	431
Prepayments and accrued income	10,603	8,877
	15,877	18,692

* Prior year figures adjusted to reflect the change in accounting policy on collections licences. Please see note 16 for a detailed analysis.

** Prior year figures adjusted to reflect the change in deferred capital grant see note 16.

The amounts owed by group undertakings are unsecured, interest free and repayable on demand.

15. Creditors: amounts falling due within one year

	2022	Restated 2021
	£'000	£'000
Trade creditors (note 16)	3,878	6,935
Taxation and social security	1,432	6
Amounts owed to group undertaking	4,660	-
Other creditors	1,400	1,090
Accruals and deferred income (note 16)	10,530	9,329
Net agency licensing creditor (note 16)	14,284	19,621
	36,184	36,981

The amounts owed to group undertakings has increased due to an increase in the unsettled management charges due to Jisc charity.

The net agency licensing creditor amount has reduced primarily due to prompt payment of publisher agreement invoices.



16. Restated comparative values Debtors and Creditors: amounts falling due within one year

Following the restatement in note 5, in 2021 the balances within the balance sheet related to the sales of Collections licences were incorrectly reported on a gross basis as if the group were acting as the principal. The 2021 figures have been restated to show these balances on an agency net basis.

Certain software licenses with useful economic lives of more than one year were reclassified from prepayments to intangible assets in the prior year as a restatement.

Following a review it has been agreed that accounting for support between Jisc and JSL by a capital grant was incorrect and that the funds from Jisc to Jisc Services Ltd relate to trading income for services provided by Jisc Services Ltd to Jisc charity. There is a Management and Supervision Agreement in place between the two entities that details this service charge. In accordance with this, the deferred capital grant has been removed from the balance sheet of JSL and offset against intercompany.

The changes in accounting policies had the following impact on debtors and creditors as at 31 July 2021 and the prior year figures have been restated accordingly. The table below also includes the restatement adjustments relating to software licences and the capital grant from Jisc charity detailed in notes 12 and 5 respectively.

Category	Published 2021 £'000	Agency Adjustment £'000	Intangible Asset Adjustment £'000	Deferred Capital Grant £'000	Restated 2021 £'000
Trade creditors	(15,605)	8,670	-	-	(6,935)
Accruals and deferred income	(44,547)	35,218	-	-	(9,329)
Deferred Capital Grant < 1 year	(7,658)	-	-	7,658	-
Deferred Capital Grant > 1 year	(3,250)	-	-	3,250	-
Trade debtors	11,928	(4,592)	-	-	7,336
Prepayments and accrued income	34,680	(19,675)	(6,128)	-	8,877
Total	Not Applicable	19,621	(6,128)	10,908	Not Applicable
Net Agency Creditor*	-	19,621	-	-	19,621
Software licenses	-	-	6,128	-	6,128
Amounts owed by group undertakings	12,956	-	-	(10,908)	2,048



17. Financial commitments

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

	2022 £'000	2021 £'000
Contracts for future capital expenditure not provided in the financial statements – equipment	4,259	745

Capital commitments have increased due to delays in the delivery of network equipment. The company had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	2022 £'000	2021 £'000
Land and buildings		
Not later than one year	-	2
Later than one year and not later than five years	-	-
Later than five years	-	-
	<u>-</u>	<u>2</u>

18. Related Party Disclosures

Year ended 31 July 2022	Jisc Services Limited		Balance Sheet	
	Income	Expenditure	Debtors	Creditors
	£'000	£'000	£'000	£'000
Advance HE	27	-	12	-
Association of Colleges	11	-	-	-
Birkbeck College	267	1	14	3
Dumfries & Galloway College	18	-	11	-
GEANT	383	942	-	62
Grimsby Institute of Further and Higher Education, part of the TEC Partnership	98	12	24	-
GuildHE	1	-	2	-
HEANet	161	-	29	-
HESA Ltd	49	563	-	-
Higher Education Funding Council for Wales (HEFCW)	-	4	-	-
Hull College	51	-	1	-
National Science Museum	1	-	-	1
Office for National Statistics (ONS)	2	-	-	-
Oxford Brookes	567	210	3	-
Pearson College Governing Body	2	-	-	-
Royal Holloway, University of London	913	7	36	-
Staffordshire University	504	77	105	-
StudyPortals	2	-	-	2
Sunderland University	575	42	48	3
Swansea University	1,498	144	18	-
The Russell Group of Universities	7	-	-	-



Year ended 31 July 2022	Jisc Services Limited		Balance Sheet	
	Income	Expenditure	Debtors	Creditors
	£'000	£'000	£'000	£'000
Universities UK	15	3	-	1
University College of Estate Management	16	-	-	-
University of Essex	1,348	68	-	3
University of Exeter	1,877	56	121	-
University of Oxford	3,603	419	373	-
University of Southampton	2,753	101	161	-
West London College	17	-	-	-
York College	28	-	4	-
	14,794	2,649	962	75

The Company is exempt under FRS102 from disclosing related party transactions with entities that are wholly owned subsidiaries of Jisc.

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

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 2021	Jisc Services Limited		Balance sheet	
	Income	Expenditure	Debtors	Creditors
	£'000	£'000	£'000	£'000
Advance HE	26	-	2	-
Birkbeck College	113	-	8	10
Coventry University	466	-	246	-
Dumfries & Galloway College	9	-	20	-
GEANT	286	1,309	-	17
Glasgow School of Art	12	-	-	11
Grimsby Institute of Further and Higher Education, part of the TEC Partnership	99	-	-	-
GuildHE	2	-	-	-
HEANet	153	-	38	-
HESA Services Limited	102	631	-	120
Higher Education Funding Council for Wales (HEFCW)	46	-	32	-
Higher Education Policy Institute (HEPI)	1	-	-	-
IDP-Connect	17	-	-	-
National Star Foundation	-	-	6	-
Office for National Statistics (ONS)	4	-	9	-
Oxford Brookes	298	-	60	-
Pearson College Governing Body	18	83	-	-
Royal Holloway, University of London	469	-	104	-
Staffordshire University	196	12	102	-
Swansea University	786	72	28	40
The Russell Group of Universities	7	-	-	-
UCAS	2	-	13	-
UCEA	5	-	-	-
Universities UK	3	-	2	-



Year ended 31 July 2021	Jisc Services Limited		Balance sheet	
	Income	Expenditure	Debtors	Creditors
	£'000	£'000	£'000	£'000
University College of Estate Management	21	-	4	-
University of Dundee	847	43	597	14
University of Essex	1,008	3	182	1
University of Oxford	1,896	32	84	31
University of Southampton	1,451	-	30	-
West London College	15	-	19	-
	8,358	2,185	1,586	244

19. Controlling parties

The immediate parent undertaking is Jisc, a Charity registered in England and Wales.

The ultimate parent undertaking and the smallest and largest group to consolidate these financial statements is Jisc. Copies of Jisc consolidated financial statements can be obtained from the company secretary at 4 Portwall Lane, Bristol, BS1 6NB.