

About us

JISC Collections was established by the UK Higher and Further Education funding councils in 2006 to negotiate, procure and license digital content at a national level on behalf of the academic and research community.

Originally operating within the Joint Information Systems Committee (JISC), JISC Collections is now a limited company that mutually trades with its members – all Higher and Further Education institutions and Research Councils that receive direct funding from the UK Higher and Further Education funding councils.

A JISC-funded service, JISC Collections also licenses digital content for an expanding range of affiliate members – organisations in the UK and overseas which qualify for membership through their engagement in life-long learning, for example schools and museums.

Our strengths

- We are trusted experts in procuring and licensing digital content for libraries.
- As an organisation, we are highly skilled at negotiation, procurement and licensing.
- We collaborate with our members and the publishing community to undertake research that will drive forward the development of licensing and business models in line with user needs and the constantly evolving digital information environment.
- We are proactive in furthering our knowledge of the digital information environment, not only through our research projects, but also by attending conferences, discussions with the publishing sector and individual research.
- We engage with our members, listening to their needs and the pressures they are under, in order to develop and champion licensing terms, business models and tools that are practical, effective and demonstrate value for money.
- We save our members time and money by negotiating and licensing digital content at a national level.

Some facts and figures

- It is estimated that our national negotiating role currently provides the academic community with efficiency gains of over £43 million per annum.
- 24 resources have been purchased and are now available as part of the UK National Academic Archive.
- We have negotiated 18 agreements for journals from through the NESLi2 initiative.
- We have negotiated 22 agreements for journals from small and medium-sized publishers as part of NESLi2 SMP.
- We have negotiated and licensed over 80 online resources at discounted rates.
- As at September 2009, we manage over 6,400 subscriptions
- We have undertaken a wide range of projects and studies in areas such as re-purposing e-learning materials, business and community engagement, e-books, business models, post cancellation access and usage statistics.

Find out more at www.jisc-collections.ac.uk

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"I was delighted to discover that JISC Collections has purchased permanent access to the ACS Legacy Archives. There is so much that is useful for our research – real heavyweight journals like the Journal of the American Chemical Society and the Journal of Physical Chemistry. This is a really positive step to support UK research."

Dr Timothy Prior
Lecturer in Chemistry and Fellow Librarian, University of Hull



2 Chair's Report



David House
Chair of JISC Collections

"It has been another productive and successful year in which we have delivered over £43 million in efficiency gains to the UK academic sector."

I am pleased to present our third annual review. It has been another productive and successful year in which we have delivered over £43 million in efficiency gains to the UK academic sector.

Supporting members during the economic crisis

A key focus this year has been on helping our members maintain access to digital content during a period of economic crisis. This has been achieved through a collaborative partnership with publishers and content providers. Whilst seeking no price rises at renewal has been an essential part of our negotiations (around 70% of renewals this year had no price increases) even more vital has been the inclusion of annual opt out clauses. Budgets are not certain for the coming years and providing this flexibility has allowed our members to retain essential subscriptions.

Additional archive resources purchased for the UK National Academic Archive

As part of our ongoing commitment to widening access to essential research content across the subject spectrum, we have purchased a range of important digital archives in perpetuity. This year's focus has been on the acquisition of archives of historical material:

- **Eighteenth Century Collections Online (ECCO) Part 2** – 45,000 titles and almost 7 million pages of content.

- **British Periodicals Collections I and II** – 5,000 volumes from almost 500 periodicals published between the 1680s and the 1930s.
- **The Burney Collection** – the largest single online collection of British news media from the 17th and 18th centuries.
- **Foreign Broadcast Information Service Daily Report (1974-1996)** – a unique archive of translated broadcasts, news agency transmissions, newspapers, periodicals, and government statements from nations around the world.

We are also supporting the creation of a further 43,000 fully searchable texts within **Early English Books Online**.

Efficiency gains of £9.2million have been achieved in 2008/09 through the UK national academic archive initiative.

500 hours of film and 56,000 digital images licensed for education

Following £2.5 million in funding from JISC and a competitive procurement process, we licensed 11 high quality image collections as part of the **Digital Images for Education initiative** (www.imagesforeducation.org.uk).

The aim of this project is to bring to life "Our History" – in particular, film and digital images which capture local history, UK history and world history over the last 25 years.



3,000 e-books available free to further education

Funding from the Learning and Skills Council and JISC has enabled us to license 3,000 e-books which are now available free to all further education institutions on an unlimited simultaneous user basis until September 2014.

Titles were selected following an intensive community-led consultation, and the collection covers a wide range of subjects and levels appropriate to teaching in further education colleges in all parts of the UK.

The project has got off to an excellent start, and we are very pleased that over 320 colleges have already signed up for access.

E-book and e-textbook business models

The JISC national e-books observatory project has collected important evidence about user behaviour and expectations which will inform the development of sustainable business models for e-textbooks.

The final report, published in October 2009, suggests that making course text e-books freely available to students through the university library may not have the negative impact on print sales that publishers feared would be the case.

However, finding sustainable business models that recognise the role of the library in providing e-textbooks continues to be a challenge.

In order to move the agenda forward, we commissioned a study to explore the management and economic impact of various e-textbook business models on libraries, publishers, and e-book aggregators.

The report on the first phase of the Study on the Economic Impact of e-Textbook Business Models was published in April 2009.

Following on from the report's recommendations, we are pleased that 13 higher education institutions, eight leading textbook publishers, and three e-book aggregators are participating in a range of business model trials that started in September 2009.

A shared digital library for Scotland

In the first initiative of its kind in the UK, we negotiated access to content from three leading academic publishers on behalf of all Scottish higher education institutions. The result is the unique shared Scottish Higher Education Digital Library (SHEDL), and we believe that what we have achieved is a workable and scalable procurement and licensing model for the future.

Licensing for affiliate organisations

We also provide a service for an expanding range of affiliate organisations. One example is schools, and we are pleased that over 1 million school children across the UK now have access to one or more of over 20 online resources we have licensed for the Becta-funded **JISC Collections for Schools** (www.jcs.nen.gov.uk).

Looking ahead

As trusted experts in procuring and licensing digital content, we will continue to save our members time and money by negotiating and licensing essential digital content as well as undertaking research to drive the development of licensing terms, tools and business models that are practical, effective and demonstrate value for money.

As trusted experts in procuring and licensing digital content, we will continue to save our members time and money by negotiating and licensing essential digital content...



4 Report on Activities

Achieving our mission: 2008/9

Our mission is to procure and license digital content for our members to enable them to provide their users with access to an extensive collection of high quality content that supports the teaching, learning and research requirements of their institution.

In support of this mission, and on behalf of our members, we:

- Always negotiate discounted pricing.
- Use our model licences to ensure consistency and transparency.
- Negotiate the best possible terms and conditions to ensure that content can be used effectively and in the ways required by educational users.
- Require publishers to join the UK Access Management Federation.
- Commission and manage a wide range of studies and projects to drive the development of licensing and business models and technological standards.
- Foster collaborative relationships with the publishing sector.

Purchasing content in perpetuity on behalf of the UK academic community

Our purchasing role at a national level makes it possible for *all* institutions – regardless of size or budget – to provide access to a wealth of high quality online resources.

The JISC Collections **UK National Academic Archive** includes 24 specially-selected archive resources which are now available in perpetuity to UK higher and further education institutions and research councils.

19 of the 24 resources in the UK national academic archive can be accessed free of charge. A modest access fee applies for 5 of the archives.

“Now all students can have the resources of the British Library, of the Oxford and Cambridge University Libraries, and some of the great North American collections on their desktop.”

Justin Champion

Professor of the History of Ideas and Director of Executive, Electronic and External Programme, Royal Holloway, University of London

Highlights of 2008/9

Through the UK National Academic Archive initiative we delivered efficiency gains of over £9.2 million during 2008/9. We also purchased 4 additional resources:

British Periodicals Collections I and II

This unique digital archive includes the full text of over 5,000 volumes from almost 500 periodicals published between the 1680s and the 1930s.

The Burney Collection

This is the largest single online collection of British news media from the 17th and 18th centuries. It offers unique insights into two centuries of history through access to over 1,270 books, newspapers, pamphlets and a variety of other news materials published in England, Ireland and Scotland, plus papers from British colonies in the Americas and Asia.

Eighteenth Century Collections Online Part 2

Adding almost 7 million pages to the size of ECCO, Part 2 includes 45,000 titles uncovered by the English Short Title Catalogue – for example 96 new editions of Shakespeare, and 900 new works and editions by over 400 female authors. It is available at no extra cost to institutions subscribing to Part 1.

Foreign Broadcast Information Service Daily Report (1974-1996)

The FBIS Daily Report has been the United States’ principal record of political and historical open source intelligence for nearly 70 years. Its original mission was to monitor, record, transcribe, and translate intercepted radio broadcasts from foreign governments, official news services, and clandestine broadcasts from occupied territories. Containing many firsthand reports, this archive provides a unique insight into events as they occurred.

Find out more about the UK National Academic Archive at www.jisc-collections.ac.uk/archives

Securing best value for online journals

Through the NESLi2 and NESLi2 SMP (Small and Medium-Sized Publishers) programmes, we manage the licensing of online journals on behalf of the higher and further education institutions and research councils.

Negotiation with suppliers at a national level ensures that online journals are available to the UK academic community at the lowest prices and with the most generous terms and conditions of use.

Having access to the widest possible range of journals is also very important to support education and research. We launched NESLi2 SMP in 2008 to extend the range of journals on offer to the community, and we are very pleased that over 800 journals from 22 small and medium-sized publishers are already available through the initiative.

Highlights of 2008/9

- We delivered £8.7 million in annual efficiency gains through the NESLi2 and NESLi2 SMP programmes.
- We negotiated new agreements for 10 publishers as part of NESLi2.
- 5 new publishers are participating in NESLi2 SMP – Earthscan, Edinburgh University Press, Maney Publishing, MIT Press and Walter de Gruyter – bringing the total to 22.

Find out more about NESLi2 at www.nesli2.ac.uk

Find out more about NESLi2 SMP at www.jisc-collections.ac.uk/NESLi2SMP

Negotiating agreements for online resources

In addition to digital archives and journals, we have negotiated preferential pricing and generous terms of use for over 80 online resources which are now available to member institutions by subscription or for purchase.

Resources on offer include copyright-cleared image libraries, general and subject-focused reference databases, e-book collections, abstract and indexing databases, and maps.

A key focus this year has been on helping our member organisations to maintain access to electronic information resources during a period of economic crisis. This has been achieved through a collaborative partnership with publishers and content providers.

Highlights of 2008/9

- We delivered over £25million in annual efficiency gains.
- We negotiated new agreements for 9 resources from 6 publishers and content providers.
- Agreements for 13 resources have been renewed.
- There are no price increases for 70% of renewals.
- We negotiated annual opt out clauses for all renewals and new agreements.

"The extension of the trusted NESLi brand to small and medium sized publishers' offers is most welcome. Not only does it increase the range of options for librarians but it provides an opportunity for smaller publishers to market their offerings more competitively to libraries."

Jill Taylor-Roe
Head of Liaison & Academic Services, Robinson Library, Newcastle University

"We are very pleased to be participating in NESLi2 SMP as it offers us increased visibility for our journals collection and also a cost-effective route to the academic market."

Kathryn Earle
Managing Director, Berg Publishers



Report on Activities

CONTINUED

Extending access to film and image collections

Online film, images and sound offer tremendous opportunities to enhance the educational experience and to support learning and research. We and JISC have long supported the availability of such content through resources such as **Film & Sound Online**, the **Education Image Gallery** and most recently **NewsFilm Online**.

In 2008/2009 we continued to build on this work by collaborating with the Wellcome Trust on further digitisation work, and by licensing new film and image collections for the important new Digital Images for Education project. Going forward, we are seeking to make an increasing number of collections openly available on the internet and we kick started this by funding Worcester College of Technology in 2008/2009 to develop over 30 new hairdressing videos. The videos are freely available on the **Hairdressing Training** website (www.hairdressing.ac.uk).

"I think JISC Collections has created what is pretty much a unique resource, exciting in its scope and potential. It touches on the interests of a wide range of subject areas, and contains images which will be of value to both teachers and researchers, and useful in all educational contexts – from colleges through to the highest levels of HE."

Noel Williams

Professor of Communication, Sheffield Hallam University



Nelson Mandela meets Trevor McDonald, NewsFilm Online.

Highlights of 2008/9

Digital Images in Education – 11 collections licensed

Following £2.5 million in funding from JISC and a competitive procurement process, we have licensed 11 high quality image collections for at least 25 years as part of the **Digital Images for Education** initiative.

The collections include 500 hours of moving images and 65,000 still images, and the key emphasis is on bringing to life "Our History" – in particular, images which capture local history, UK history and world history over the last 25 years.

To enhance discovery and usage by the widest possible range of users, detailed metadata (prepared according to widely adopted standards to ensure interoperability) is being compiled for all images. All images are also copyright-cleared for use in education.

The images will be available free of charge to UK higher and further education institutions from Summer 2010.

Find out more at www.imagesforeducation.org.uk

Wellcome Film Collection – an expanding range of films available free

The Wellcome Library, in partnership with JISC Collections, is digitising and making available free approximately 150 hours of historically significant film covering all aspects of the evolution of medicine, health and social care provision and practice in the UK over the last 100 years.

60 films are currently available free of charge to the UK academic community within **Film & Sound Online** and additional titles will be added in batches. Many of the films were originally made for doctors, nurses and students of medicine and include hands-on footage of clinical procedures and operations. When complete, the Collection will consist of over 450 films. In addition to being available on **Film & Sound Online**, films that are not clinically sensitive are being added to the Wellcome Film YouTube site.

Find out more at www.filmandsound.ac.uk/collections/wellcome.html

Hairdressing Training – over 30 new videos available free to all

Funding provided to JISC Collections by the learning and skills council has enabled new open content to be added to **Hairdressing Training**.

Produced by Worcester College of Technology in partnership with local salons, the new videos provide step-by-step guidance on a wide range of hairdressing styles and techniques, as well as information on topics such as client consultation and health and safety. Learning resources – including worksheets and quizzes are also available free of charge to accompany the videos.

All the videos are freely available on the **Hairdressing Training** website or on the hairdressing training YouTube site and can be downloaded and viewed on mobile devices.

Find out more at www.hairdressing.ac.uk

Streamlining the subscription process to save institutions time

One of our key objectives is to save our members time as well as money. We negotiate pricing on behalf of the community on the basis of our banded pricing scale. We ensure that terms of use accord as far as possible to our model licence. We make information about resources and agreements available on our website, and we offer a help desk to process subscriptions and renewals, and answer questions.

But we are keen to streamline the subscription process further to make it quicker and easier to subscribe, and to provide a central location for librarians to manage their journal, database and e-book subscriptions.

In view of this, and following consultation with stakeholders, we issued an invitation to tender to redevelop our website.

The new website – available from May 2010 – will be transactional and automated. Librarians will be able to log in and view the pricing for the resources they are interested in, see what resources they subscribe to, receive reminders about renewals, and place orders for subscriptions online.

Highlights of 2008/9

- Interviews and focus groups were held with a wide range of stakeholders – including librarians and publishers – to gather requirements.
- An Invitation to Tender was prepared and released in March 2009
- Over 100 proposals were received and were marked by JISC Collections, librarians and board members.
- Cubeworks were awarded the contract to develop a new JISC Collections website.
- The anticipated launch date of the new website is May 2010.

For further information, or to join the group of librarians testing the new website, please contact Brian Mitchell at b.mitchell@jisc.ac.uk

Research initiatives and special projects

In addition to licensing digital content, we undertake projects and commission research to explore key issues that have an impact on the provision of digital content by libraries – for example stimulating the adoption of e-books in further education, testing business models for e-textbooks, exploring how to standardise signing in to content, and developing tools to help members assess value for money.

Highlights of 2008/9

E-books for FE – 3,000 titles now available free

Following funding from the Learning and Skills Council and JISC, and a community-led consultation during which 80,000 responses were received, we have licensed 3,000 course texts which are now available free to further education colleges on the ebrary platform until 2014.

The e-books cover a comprehensive range of subjects including fashion, design, software engineering, health and social care, automobile electronics, and beauty therapy.

We have undertaken workshops across the UK to raise awareness of the e-books and to encourage usage, and we are very pleased that over 320 further education colleges have already signed up. In view of this success, JISC has provided funding for us to procure additional e-textbooks to extend the range of subjects and levels covered.

Further information is available at www.fe.jiscebooksproject.org

JISC national e-books observatory project – final report available

Through the 2-year JISC national e-books observatory project, we have collected wide-ranging quantitative and qualitative information about user expectations and behaviours – for example survey data from 52,000 users, findings from librarian, academic and student focus groups at 8 universities, and activity logs from the MyLibrary platform.

Continued overleaf...

...we are keen to streamline the subscription process further to make it quicker and easier to subscribe, and to provide a central location for librarians to manage their journal, database and e-book subscriptions.



Highlights of 2008/9

Continued from previous page

We have also been able to analyse the impact on publishers' print sales revenue of making course text e-books free at the point of use from September 2007 to August 2008.

The final report highlights key findings and recommendations for the future, and is available at www.jiscebooksproject.org

E-textbook business models for higher education – trials started September 2009

Finding sustainable business models that recognise the role of the library in providing e-textbooks continues to be a challenge.

Following on from the JISC national e-books observatory project, and in order to move the agenda forward, we commissioned a study to explore the management and economic impact of various e-textbook business models on libraries, publishers, and e-book aggregators.

The report on the first phase – a landscaping study including recommendations for business model trials to be undertaken in phase two – was published in April 2009.

We are very pleased that eight leading textbook publishers and three e-book aggregators are participating in four different trials at 13 higher education institutions.

The trials started in September 2009 and, in order to reflect the real live environment as far as possible, they will run until the end of the 2009/10 academic year. The results will inform the development of new pricing and licensing models that are sustainable, flexible and manageable from the point of view of all stakeholders.

Publisher interface study – helping users sign-in

With the UK Access Management Federation now embedded within the publishing and education communities, we commissioned a study to look at the issues users face when logging in to resources via federated access management. Despite some excellent developments by publishers, the study concluded that the variation in approach is creating a confusing experience for users.

The final report is available at <http://sites.google.com/site/publisherinterfacestudy/>

In response to the findings, we are developing an international design for a 'federated log-in', including full brand guidelines and an easy to install tool and guide for embedding Where Are You From Services (WAYFs). This work will help users to discover and sign-in to resources from different publishers and will lead to increased usage of the digital content offered by libraries.

Usage Statistics Portal – demonstrator built

Over the last year, we have been exploring the feasibility of developing a usage statistics portal. The key objectives are to save librarians time in locating and viewing statistics (initially for NESLi2 journal collections), and to help them make informed decisions about their collections through the provision of tools to aid analysis.

A demonstrator has been built and tested by a range of librarians and has received support from SCONUL:

"In addition to the particular help that the usage statistics portal could provide in assisting SCONUL members with our own statistical returns, it is very clear that the portal itself, if developed into a service, has the potential to offer all SCONUL libraries significant benefits in the analysis of usage statistics"

Toby Bainton

Secretary of the Standing Committee on National and University Libraries (SCONUL)

We are currently creating a detailed technical specification and design in order to establish the likely development costs.

For further information please contact Lorraine Estelle (l.estelle@jisc.ac.uk)

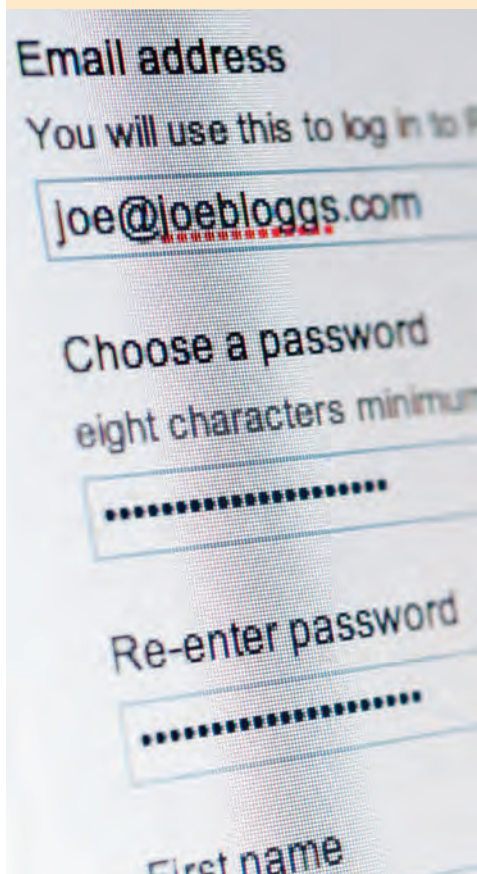
Promoting best practice in access management

We continue to support the publisher and user communities in the adoption of federated access management and are enabling them to leverage the most out of digital content in these challenging times.

The UK Federation now has over 700 members, with participation being an essential part of our model licence.

Highlights of 2008/9

- Mark Williams joined us in the role of Access Management Officer and is dedicated to encouraging publishers to join the UK Federation and to implement federated access management.
- 38 new publishers joined the Federation including Oxford University Press, the American Chemical Society and Cambridge University Press.
- Over 15 federated access management briefings and workshops have been held for publishers and the education community.



Licensing programmes for affiliate members

JISC Collections also provides a service for an expanding range of affiliate members – organisations in the UK and overseas which qualify for membership through their engagement in life-long learning.

Highlights of 2008/9

JISC Collections for Schools – 14 additional resources now available

Launched in April 2008 following funding from Becta, **JISC Collections for Schools** offers schools across the UK the opportunity to subscribe to specially selected online resources at discounts of up to 75%.

The initiative has got off to an excellent start, and over 1 million school children now have access to one or more resources through subscriptions at a national and regional level, as well as from individual schools.

This year, following an Invitation to Tender, we have licensed 14 additional resources for both primary and secondary schools, bringing the total to 25.

The Scottish Higher Education Digital Library – a shared library for Scotland

In the first scheme of its kind in the UK, and working closely with the Scottish Confederation of University and Research libraries (SCURL), we negotiated e-journal agreements with three leading academic publishers – Cambridge University Press, the American Chemical Society and Springer – on behalf of all higher education institutions in Scotland.

Museum Libraries – pilot project extended

Following funding from the Museums, Libraries and Archives Council (MLA), we undertook a pilot licensing initiative on behalf the London Museum Libraries and Archives Group (which includes institutions such as the British Museum, the Science Museum and the Tate Gallery).

The aim of the project was to explore the impact of centrally-negotiated agreements for online resources in terms of cost savings achieved and service quality.

We negotiated ten agreements on behalf of the group. £20,557 in savings was achieved on subscriptions to resources already licensed by group members and £82,473 in savings was achieved by all group members across all agreements.

Following the success of the pilot, the MLA has commissioned a further year of this ground breaking project and we look forward to extending the project to museum libraries across the UK.

The final report from this pilot is available at www.jisc-collections.ac.uk/museum_report

"It is fantastic to have such a wide range of reliable information, regularly updated and easily available to all our school community."

Di Jackson
Resource Centre Manager, Stroud High School

Report on Activities

CONTINUED

National Licensing – assessing value and usage

Saving our members money through our negotiating and purchasing activities is one of our primary objectives. Through a comparison of list prices, negotiated prices and take up by institutions, we estimate that savings amounted to over £43 million in 2008/9.

In addition to headline statistics, we would like to be able to offer our members a more holistic view of usage and the price per download that is being achieved through national purchasing. Given the current economic climate, we also want to provide members with individual reports.

To this end, we have been working with the Audit Bureau of Circulations who undertake the auditing of COUNTER usage statistics to:

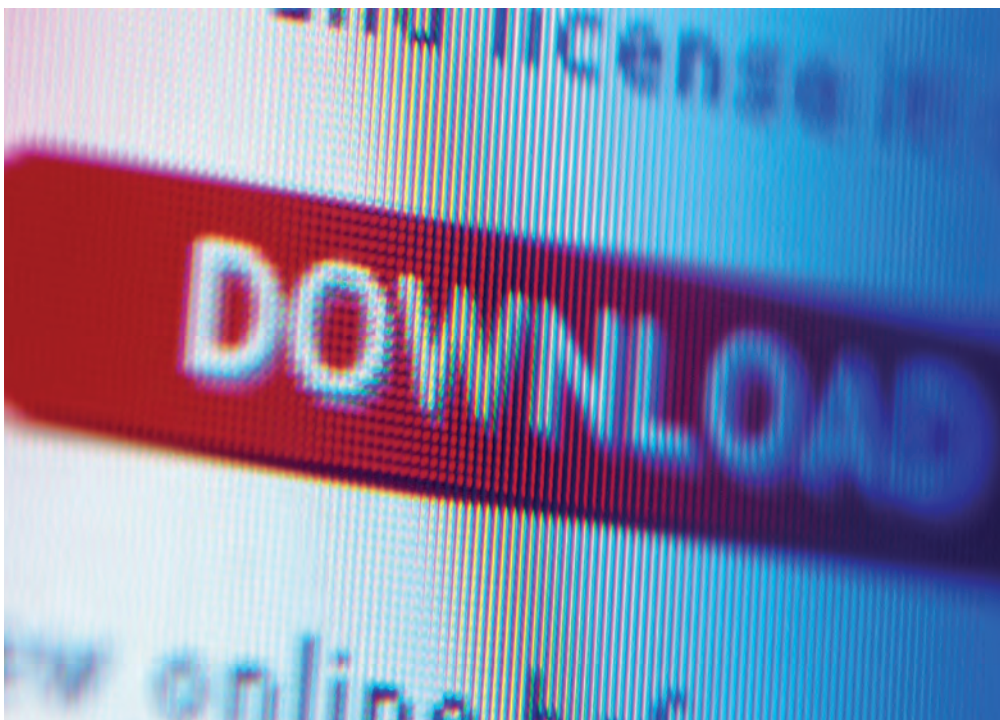
- Compile details of the usage for national agreements such as **Early English Books Online** and **Eighteenth Century Collections Online**.
- Establish the price per download for those collections.
- Calculate the savings achieved by individual members through the agreements.
- Provide details of the overall savings achieved through the agreements.

We started with the year 2007/2008 and are pleased to report that most collections are being well used. For example, between September 2007 and August 2008, over 2 million articles were downloaded from the Oxford Journals Archive. Evaluated against the cost of the archive, the average price per download is 58p.

However, it is clear that usage is very uneven across institutions and we will be consulting with our members to establish whether this is an issue of concern, how the usage of these collections can be promoted, and whether our collection development strategy needs to change in the light of these figures.

Initial analysis also suggests that, for a variety of reasons, we may currently be underestimating the savings achieved from national licensing. This will be investigated further when 2008/9 usage is collated, and we will also be able to provide comparisons of changes in use and value for money savings.

However, it is clear that usage is very uneven across institutions and we will be consulting with our members to establish whether this is an issue of concern...



Reflections on 2008/9 and looking ahead



Lorraine Estelle
Chief Executive Officer,
JISC Collections

The area of scholarly communications is changing and we will undertake work to understand how it can support both publishers and academic institutions in the payment of open access publication charges.

Meeting the challenges

The internet provides many new opportunities for research and education. It also provides new challenges – particularly around sustainability, new business models and intellectual property.

Many of the projects we have been involved in over the year, and which we will develop in the coming year, are aimed at addressing these challenges. This work includes new licensing models that allow for collaborative research across the UK academy, and our success with the Scottish Higher Education Digital Library is an exemplar in this area. The area of scholarly communications is changing and we will undertake work to understand how it can support both publishers and academic institutions in the payment of open access publication charges.

New licensing and business models are required in order to widen student access to e-books in both the higher and further education sectors. At the same time, the models we develop must also support a vibrant and creative book publishing industry, and we hope that the recommendations of the national e-books observatory project and the results of the e-textbook business model trials will contribute to these dual aims. Our e-books for FE project will make e-books accessible to every student studying in further education and our new business models study for further education will explore what models will be affordable and practical for students and colleges.

2009/2010 preview

Our primary focus will be on continuing to help our members to achieve and demonstrate value for money for their digital content. Our expert negotiation, licensing and procurement skills will be essential to this, as will the range of projects and studies we are undertaking.

The development of a JISC Usage Statistics Portal will, we hope, provide members with the reliable information they need when making collection building decisions.

Our project in scoping how our NESLi2 initiative can be widened to provide help in managing the payment of Open Access fees will explore whether providing a central administration process for the payment of open access fees could provide efficiencies to libraries and publishers. In addition, we would be able to assess and map the extent to which Open Access publishing is adopted in the UK.

Project PeCAN (in collaboration with EDINA) will investigate how we can provide long-term post cancellation assurance to our members as they transition from print and electronic access to electronic access only.

We also aim to improve our efficiency by using technology more effectively to both reduce costs and to provide our member institutions with a better service, and 2010 will see the introduction of our new transactional website.



12 Director's Report

The Directors present their report and the financial statements of the Company for the year ended 31 July 2009.

Principal activities

JISC Collections is the trading name for the JISC Content Procurement Company Limited, a mutual trading company established and funded by HEFCE. The Company's members include higher education institutions, research councils and further education institutions. Its affiliate members include schools and museum libraries. The Company collaborates with librarians, researchers, information management professionals, and publishers. The Company's mission is to procure and licence digital content for its members to enable them to provide their users with access to an extensive collection of high quality content that supports the teaching, learning and research requirements of their institution. To support this, the Company negotiates and licenses high quality digital content at a national level that has discounted pricing and excellent terms and conditions of use. The Company always aims to provide its members with authoritative information to enable them to make informed decisions about the procurement of digital content.

Business review

The Company commenced trading on 1 October 2006 and in the third year of trading the turnover was £12,925,389. The turnover is generated from grant income from HEFCE and from trading activity with its members and publishers of digital content. Trading profits generated by the Company are earmarked for investment in digital content and strengthening the future sustainability of the organisation. The company's profit before tax for the period was £932,259 after administrative expenses of £1,254,278 and interest income of £127,502. Taxation on profit on ordinary activities was £34,810, resulting in retained profits for the year of £897,449. The Profit and Loss account can be found on Page 14.

The Company generated positive cash flows of £2,311,647 for the year after the repayment of a £250,000 instalment of the repayable grant from HEFCE.

Key risks

The Company identifies risks and the necessary mitigating actions to manage the risks through a risk register that is updated regularly and reviewed by the Board of Management on a quarterly basis. As a young company, JISC Collections relies on grants from HEFCE to cover the costs of staff and administration. HEFCE grants also enable the Company to acquire digital content on behalf of the UK academic community. The Company's cash flow and grant funding is critical to the operation of the company and currently the Company has a repayable grant to HEFCE of £818,119 to support its day to day cash flows, of which £250,000 was repaid during the current year. Given the current economic climate, it may be the case that grants from HEFCE will be reduced in the future. As a result, the Company is developing and implementing plans for additional revenue generation.

Key performance indicators

As a publicly funded company, demonstrating the value of the Company's activities, both to its funders and its members is essential. The report on pages 4-10 highlights the use made of the digital content licensed on behalf of the educational community and the value of that content.

JISC Collections' UK National Academic Archive currently includes 24 resources and provides members with annual savings in excess of £9 million. The Burney Collection, purchased this year (2008/2009) has 148 subscribers providing members with annual savings of over £250,000. British Periodicals Collections I and II, also purchased this year has 126 members subscribed providing members with annual savings of £560,000.

In the 2008/2009 year, 10 new e-journals were made available through NESLi2 and 5 new agreements were added to the NESLi2 SMP initiative. These negotiations saved members over £8.7 million.

There are over 80 online resources available at discounted rates through JISC Collections. These agreements cover resources of all types such as maps, images, film, databases and e-books. The negotiations undertaken by JISC Collections for these agreements save its members in excess of £25 million per annum. In the 2008/2009 year 13 resources were renewed, 70% of these had no price increases and all included annual opt-outs.

In total, central negotiations for all the online resources available through JISC Collections, including the UK National Academic Archive, NESLi2 and NESLi2 SMP, saved the education community over £43 million.

Directors' responsibilities

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the financial year and of the profit or loss of the Company for that period. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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 responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act. It is also their responsibility to safeguard the assets of the company and hence to take reasonable steps to prevent and detect fraud and other irregularities.

Directors' interests

None

Disclosure of information to Auditors

The Directors who approved this Report are satisfied that there is no relevant audit information (as defined in the Companies Act 2006) of which the Company's auditors are unaware. Each of the Directors has taken all reasonable steps to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditors

A resolution to reappoint Knox Cropper Chartered Accountants as auditors of the company will be proposed at the forthcoming annual general meeting.



14 Financial Statements

The JISC Content Procurement Company Limited

Profit and Loss Account for the Year Ended 31st July 2009

	Notes	2009 Total £	2008 Total £
Turnover	2	12,925,389	10,775,851
Cost of Sales		<u>(10,866,354)</u>	<u>(8,634,822)</u>
Gross Profit		2,059,035	2,141,029
Administrative Expenses		<u>(1,254,278)</u>	<u>(1,212,135)</u>
Operating Profit		804,757	928,894
Interest receivable		<u>127,502</u>	<u>256,111</u>
Profit on Ordinary Activities before taxation	3	932,259	1,185,005
Taxation on profit on ordinary activities	6	(34,810)	(52,712)
Retained Profit for the financial period		<u>897,449</u>	<u>1,132,293</u>

There were no recognised Gains or Losses other than those reported above.

None of the Company's activities were acquired or discontinued during this period.

The JISC Content Procurement Company Limited

Balance Sheet at 31st July 2009

	Notes	2009 Total £	2008 Total £
Fixed Assets			
Intangible Assets	7	8,037,151	4,224,704
Tangible Assets	8	5,207	6,916
		<u>8,042,358</u>	<u>4,231,620</u>
Current Assets			
Debtors	9	5,015,716	5,617,381
Cash at Bank and in Hand		8,807,671	6,496,024
		<u>13,823,387</u>	<u>12,113,405</u>
Creditors			
Amounts falling due within one year	10	(12,786,410)	(10,522,935)
		<u>1,036,977</u>	<u>1,590,470</u>
Net Current Assets			
		<u>9,079,335</u>	<u>5,822,090</u>
Total Assets Less Current Liabilities			
		<u>2,857,551</u>	<u>1,960,101</u>
Creditors			
Amounts falling due after one year	11	(6,221,784)	(3,861,989)
		<u>2,857,551</u>	<u>1,960,101</u>
Capital And Reserves			
Profit and Loss Account	12	2,857,551	1,960,101
		<u>2,857,551</u>	<u>1,960,101</u>

The JISC Content Procurement Company Limited

Cash Flow Statement for the year ended 31st July 2009

	Notes	2009 Total £	2008 Total £
Net Cash Inflow from operating activities	19(a)	7,444,044	5,850,472
Return on Investments		127,502	256,111
Taxation		(34,810)	(52,712)
Capital Expenditure	19(b)	(4,975,089)	(2,858,960)
		<u>2,561,647</u>	<u>3,194,911</u>
Financing	19(c)	(250,000)	(250,000)
Increase in Cash		<u>2,311,647</u>	<u>2,944,911</u>
Reconciliation of Net Cash Flow to Movement in Net Funds	19(d)		
Increase in Cash in the year		2,311,647	2,944,911
Cash (inflow)/Outflow from repayable HEFCE grant		250,000	250,000
Net Funds at beginning of period		5,427,905	2,232,994
Net Funds at end of period		<u>7,989,552</u>	<u>5,427,905</u>

16 Notes to the financial statements

The JISC Content Procurement Company Limited

Notes to the Financial Statements for the Year Ended 31st July 2009

1. ACCOUNTING POLICIES

(a) Basis of Accounting

The financial statements are prepared under the historical cost convention and in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

(b) Turnover

Subscription income relating to the provision of electronic content to member institutions is recognised for the period it relates to. Income received relating to future financial periods is treated as deferred income in the Balance Sheet.

Revenue Grants supporting the activities of the company are accounted for in the year in which they are receivable in the Profit and Loss account.

Capital Grants are released to the Profit and Loss account over the estimated useful lives of the related assets purchased with these grants. The balance of grants, not yet released, is carried forward in the Balance Sheet as deferred income.

Income from consulting, courses, events, advertising, and other fees are recognised in the period to which they relate.

(c) Depreciation of Fixed Assets

(1) Depreciation of tangible fixed assets is charged to Profit and Loss account on a straight line basis as follows:

Furniture & Fixtures over 5 years

Office and Computer Equipment over 3 years

(2) Amortisation of intangible assets is charged to Profit and Loss account on a straight line basis over 5 years from the date of the contract.

(d) Pension Scheme

The company participates in the Universities Superannuation Scheme (USS), a defined benefit scheme which is externally funded and contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate trustee administered fund. 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 17 "Retirement benefits", accounts for the scheme as if were a defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period.

2. TURNOVER

The whole of the turnover and profit before taxation is attributable to the principal activity of the Company and arises solely in the United Kingdom.

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

This is stated after charging:

	2009 £	2008 £
Amortisation of Intangible Fixed Assets	1,161,895	491,147
Depreciation of Tangible Fixed Assets	2,455	2,306
Auditors' Remuneration – Audit Fee	12,500	12,000
– Other Services	1,100	1,000
	<u>1,177,950</u>	<u>506,453</u>

4. DIRECTORS' EMOLUMENTS

Aggregate directors' remuneration	<u>102,280</u>	<u>135,854</u>
Number of directors' who are accruing benefits under defined benefit pension scheme	<u>1</u>	<u>2</u>

5. EMPLOYEE INFORMATION

	2009 No.	2008 No.
The average number of employees was	12	10
Staff Costs:	£	£
Wages and Salaries	521,088	453,349
Social Security Costs	43,745	39,599
Other Pension Costs	62,993	51,177
	<u>627,826</u>	<u>544,125</u>

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2009 £	2008 £
United Kingdom Corporation Tax	34,810	58,453
Adjustment in respect of prior periods	–	(5,741)
	<u>34,810</u>	<u>52,712</u>

The tax assessed for the period is difference from the standard rate of corporation tax (28%). The difference is explained below:

	2009 £	2008 £
Profit on ordinary activities before tax	1,520,633	1,185,005
Profit on ordinary activities multiplied by standard rate of tax (28%)	425,777	347,601
Effects of:		
Mutual Trading Profits	(379,364)	(263,276)
Marginal Relief	(11,603)	(25,872)
Current tax charge for the period	<u>34,810</u>	<u>58,453</u>

7. INTANGIBLE FIXED ASSETS

Rights to Electronic Content	£
Cost	
At 1st August 2008	4,922,483
Additions	4,974,343
At 31st July 2009	9,896,826
Amortisation	
At 1st August 2008	697,779
Charge for the year	1,161,895
At 31st July 2009	1,859,674
Net Book Value	
At 31st July 2008	4,224,704
At 31st July 2009	8,037,151

8. TANGIBLE FIXED ASSETS

Furniture & Fixtures	£
Cost	
At 1st August 2008	11,528
Additions	746
At 31st July 2009	12,274
Depreciation	
At 1st August 2008	4,612
Charge for the year	2,455
At 31st July 2009	7,067
Net Book Value	
At 31st July 2008	6,916
At 31st July 2009	5,207

9. DEBTORS

	2009 £	2008 £
Trade Debtors	1,639,639	1,558,237
Prepayments and accrued income	3,126,675	3,944,906
Other Debtors	249,402	114,238
	5,015,716	5,617,381

10. CREDITORS: Amounts Falling Due Within One Year

	2009 £	2008 £
Trade Creditors	3,759,649	3,471,856
Taxation and Social Security	79,533	77,067
Other Creditors	2,814	55,786
Accruals and Deferred Income	8,694,414	6,668,226
Repayable grant from HEFCE	250,000	250,000
	12,786,410	10,522,935

11. CREDITORS : Amounts Falling Due After Year

	2009 £	2008 £
Trade Creditors	-	264,375
Deferred Income	5,653,665	2,779,495
Repayable grant from HEFCE	568,119	818,119
	6,221,784	3,861,989

12. RECONCILIATION OF MOVEMENT IN FUNDS (PROFIT AND LOSS RESERVE)

	£
Funds at 1st August 2008	1,960,101
Profit for the year	897,450
Funds at 31st July 2009	2,857,551

13. PENSION COSTS

The company participates in the Universities Superannuation Scheme (USS), a defined benefit scheme which is externally funded and contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate fund administered by the trustee, Universities Superannuation Scheme Limited. USS has over 13,000 active members and the company has 13 active members participating in the scheme.

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 17 "Retirement benefits", accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period.

The latest actuarial valuation of the scheme was at 31st March 2008. The valuation was carried out using the projected unit method. The assumptions which have the most significant effect on the result of the valuation are those relating to the rate of return on investments (i.e. the valuation rate of interest), the rates of increase in salary and pensions and the assumed rates of mortality. The financial assumptions were derived from market yields prevailing at the valuation date. An 'inflation risk premium' adjustment was also included by deducting 0.3% from the market implied inflation on account of the historically high level of inflation implied by government bonds (particularly when compared to the Bank of England's target of 2% for CPI which corresponds broadly to 2.75% for RPI per annum).

To calculate the technical provisions, it was assumed that the valuation rate of interest would be 6.4% per annum (which includes an additional assumed investment return over gilts of 2% per annum), salary increases would be 4.3% per annum (plus an additional allowance for increases in salaries due to age and promotion reflecting historic Scheme experience, with a further cautionary reserve on top for past service liabilities) and pensions would increase by 3.3% per annum.

Notes to the financial statements

CONTINUED

At the valuation date, the value of the assets of the scheme was £28,842.6 million and the value of the schemes technical provisions was £28,153.3 million indicating a surplus of £707.3 million. The assets therefore were sufficient to cover 103% of the benefits which had accrued to members after allowing for expected future increases in earnings.

The actuary also valued the scheme on a number of other bases as at the valuation date. On the scheme's historic gilts basis, using a valuation rate of interest in respect of past service liabilities of 4.4% per annum (the expected return on gilts) the funding level was approximately 71%. Under the Pension Protection Fund regulations introduced by the Pensions Act 2004 the scheme was 107% funded; on a buy-out basis (i.e. assuming the Scheme had discontinued on the valuation date) the assets would have been approximately 79% of the amount necessary to secure all the USS benefits with an insurance company; and using the FRS17 formula as if USS was a single employer scheme, using a AA bond discount rate of 6.5% per annum based on spot yields, the actuary estimate that the funding level at 31 March 2008 was 104%.

The technical provisions relate essentially to the past service liabilities and funding levels, but it is also necessary to assess the ongoing cost of newly accruing benefits. The cost of future accrual was calculated using the same assumptions as those used to calculate the technical provisions except that the valuation rate of interest assumed asset outperformance over gilts of 1.7% per annum (compared to 2% per annum for technical provisions) giving a discount rate of 6.1% per annum; also the allowance for promotional salary increases was not as high. There is currently uncertainty in the sector regarding pay growth. Analysis has shown very variable levels of growth over and above general pay increases in recent years, and the salary growth assumption built into the cost of future accrual is based on more stable, historic, salary experience. However, when calculating the past service liabilities of the scheme a cautionary reserve has been included, in addition, on account of the variability mentioned above.

The institution contribution rate required for future service benefits alone at the date of the valuation was 16% of pensionable salaries and the trustee company, on the advice of the actuary, agreed to increase the institution contribution rate to 16% of the pensionable salaries from 1 October 2009.

Since 31 March 2008 global investment markets have continued to fall and at 31 March 2009 the actuary estimated that the funding level under the new scheme specific funding regime had fallen from 103% to 74%. This estimate is based on the funding level at 31 March 2008, adjusted to reflect the funds actual investment performance over the year and changes in market conditions (market conditions affect both the valuation rate of interest and also the inflation assumption which in turn impacts on the salary and pension increase assumptions).

On the FRS17 basis, using AA bond discount rate of 7.1% per annum based on spot yields, the actuary estimated that the funding level at 31 March 2009 was 86%. An estimate of the funding level measured on a buy-out basis at that date was approximately 46%.

Surpluses or deficits which arise at future valuations may impact on the companies' future contribution commitment. A deficit may require additional funding in the form of higher contribution requirements, where a surplus could, perhaps, be used to similarly reduce contribution requirements.

USS is a "last man standing" scheme so that in the event of the insolvency of any of the participating employers in USS, the amount of any pension funding shortfall (which cannot otherwise be recovered) in respect of that employer will be spread across the remaining participant employers and reflected in the next actuarial valuation of the scheme.

The next formal triennial actuarial valuation is due as at 31st March 2011. The contribution rate will be reviewed as part of each valuation and may be reviewed more frequently.

As at 31 March 2009, USS had over 130,000 active members and the company had 13 active members participating in the scheme.

The total pension cost for the institution was £62,993 (2008: £51,177). The contribution rate payable by the institution was 14% of pensionable salaries.

14. LEASING COMMITMENTS

Operating Leases

Land and Buildings	£
The Company's annual commitments for rental payments under non-cancellable operating leases at 31 July 2009 were as set out below	
Operating leases which expire within two to five years	67,768

15. SHARE CAPITAL

The Company has no share capital.

16. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

There were no capital commitments or contingent liabilities at 31st July 2009.

17. RELATED PARTY DISCLOSURES

HEFCE supports the work of the Company through the payment of capital and revenue grants and these amounted to £7,672,330 (2008: £5,005,774). In addition, HEFCE has funded the company through a repayable grant amounting to £818,119 (2008: £1,068,119).

18. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by the Board of Directors on 30th October 2009.

19a. **RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	2009 £	2008 £
Operating Profit	804,757	928,894
Amortisation Charges	1,161,895	491,147
Depreciation Charges	2,455	2,306
Increase in Debtors	601,666	(1,177,814)
Increase in Creditors	4,873,271	5,605,939
Net Cash Inflow from Operating Activities	7,444,044	5,850,472

19b. **CAPITAL EXPENDITURE**

	2009 £	2008 £
Acquisition of Intangible Assets	4,974,343	2,858,960
Acquisition of Tangible Assets	746	-
	4,975,089	2,858,960

19c. **FINANCING**

	2009 £	2008 £
Repayment of Repayable grant from HEFCE	(£250,000)	(£250,000)

19d. **ANALYSIS OF CHANGES IN NET FUNDS**

	At 01.08.08 £	Cash Flow £	At 31.07.09 £
Cash at Bank	6,496,024	2,311,647	8,807,671
Repayable Grant from HEFCE	(1,068,119)	250,000	(818,119)
At the end of the Period	5,427,905	2,561,647	7,989,552

20. **POST BALANCE SHEET EVENT DISCLOSURE**

JISC Collections are currently negotiating the purchase of the Shares of Content Complete Ltd. Exchange and completion of the acquisition is anticipated for 31 December 2009.





JISC Collections is the trading name for the JISC Content Procurement Company Limited.