



John Innes Foundation

Report and Financial Statements

Year ended: 31st March 2021

Charity no: 1111527

Company no: 05574485



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Report of the trustees for the year ended 31st March 2021 (incorporating the Directors' report)

- 1.1 The trustees present their annual report and financial statements of the charity for the year ended 31st March 2021. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published in October 2019. For registration and accounting purposes under the Charities Act 2011 the charity registration number 111527 applies to both John Innes Foundation ("The Charitable Company" or "JIF") and John Innes Foundation Trust ("The Trust"), together with subsidiary entities this comprises "The Charitable Group".

Objectives and activities for the public benefit

- 2.1 The John Innes Foundation is a charity supporting education and research and fostering commercial innovation for the benefit of agriculture, the environment and society through:
- (i) the provision of premises and facilities for research and the dissemination of the results of such research and assistance with the provision of funding for staffing, studentships, scholarships, professorships or bursaries in collaboration mainly with the John Innes Centre and other organisations located on the Norwich Research Park, and the University of East Anglia.
 - (ii) the application of a yearly sum of not less than £500 or such other sum as the Commission may from time to time in writing approve in or towards maintaining or providing scholarships to be called "John Innes Scholarships" to be awarded in accordance with rules to be made from time to time by the Governors of Rutlish School in the London Borough of Merton.
- Also, the provision of facilities in the interests of social welfare for recreation and leisure-time occupation of children and young persons in the London Borough of Merton; and such other charitable purposes as are required in the Law of England and Wales as the Trustees think fit.
- 2.2 The trustees (who are directors of the Charitable Company) confirm that they have referred to the Charity Commission's guidance on public benefit when reviewing the Trust's aims and objectives, in planning future activities, setting the grant making policy for the year and in measuring the impact of the range of activities supported by JIF.
- 2.3 The charitable company owns 100% of the share capital of John Innes Bioprospects Limited ("JIB"), which was set up to carry out commercial activities that support the charitable company's aims. JIB was dormant during the year ended 31 March 2021.
- 2.4 JIF is a member of Anglia Innovation Partnership LLP ("AIP LLP") through its investment via JIB and also through ownership of freehold land at Norwich Research Park leased to AIP LLP on a peppercorn basis. The aim is to exploit the full value of the land working in collaboration with AIP LLP (which is responsible for facilitating the further development of a world class research park in Norwich) in pursuance of the Foundation's charitable objectives.

Grant making policy

- 3.1 JIF and the Trust in part further their charitable purposes for the public benefit through its grant making policy which aims at:
- 3.1a making its land and buildings on the Norwich Research Park, Colney, Norwich available for scientific research by John Innes Centre ("JIC") and other bodies.
 - 3.1b provision of studentships and fellowships.
 - 3.1c fostering a collaborative culture at Norwich Research Park by working with the Institutes to introduce and fund new cross park research projects.
 - 3.1d maintaining as an educational resource the Historical Collections of botanical books and other material which illustrate the history of botany and genetics and which includes the archives of JIC.

- 3.1e making an annual donation of a 'John Innes Scholarship' to be awarded by the Governors of Rutlish School
- 3.1f leasing the 'John Innes Youth Centre' premises in Merton to the YMCA as a programme related investment.
- 3.2 JIF and the Trust carries out this programme, enabling others to provide benefit on their behalf, through partnerships with institutions. In particular, the Trust has concentrated on developing the existing partnerships primarily with the John Innes Centre in Norwich (registered charity 223852) a closely related educational charity and world leading scientific institute undertaking fundamental research on plants and microbes.
- 3.3 As part of JIF's assessment in achieving public benefit, Trustees receive regular reports and briefings from grant recipients on research and educational advancement. This monitoring, which follows Charity Commission guidance, is reviewed at each Trustee meeting. Trustees also assess the impact of grants made on an annual basis and are satisfied JIF achieves its objectives to deliver public benefit.

A review of our achievements and performance: How our grants and research programmes deliver public benefit.

All accruals mentioned are included in note 11 to the accounts, committed grant totals.

4.1 Studentships (note 3 to the accounts)

- 4.1a £2,284,530 (2020: £356,500) to JIC for rotational studentships. £378,000 paid plus £1,701,000 accrued with trustees now agreeing longer term funding on a 4-year rotational basis and another £168,000 for an additional student. Additionally, £37,530 was accrued for extended studies as a direct result of Covid19.

Allocation of the grant is controlled by the Director of John Innes Centre and administered by JIC in accordance with their current priorities. Applicants are of a very high calibre and JIC undertake a rigorous selection process. 5 first year students are co-funded by the grant from JIF and JIC, 3 of which are then fully funded by the JIF grant in each of years 2, 3 and 4. Website jic.ac.uk provides information on activities that grants contribute towards.

4.2 Research Grants of £494,112 (2020: £1,209,561) note 3 to the accounts included:

- 4.2a £333,204 (2020: nil) Earlham Institute, £20,825 paid and £312,379 accrued (note 11 to the accounts) being a 4 year fellowship in data driven science contributing to closing a recognised skills gap in computational biology aiding important national and global future developments in agricultural traits.
- 4.2b £160,908 (2020: nil) Quadram Institute commitment agreed (to a 2-year Amylose Research fellowship to produce high resistant starch content with favourable nutritional characteristics that can then be used as the basis for future projects to transfer knowledge into crop plants and future commercialisation in functional health-promoting foods.

Other research grants that continue to be supported and included in note 11 to the accounts (the commitments having been approved in prior periods) were:

- 4.2d University of East Anglia 5-year funding of two fellows at the newly established Norwich Institute for Sustainable Development that intensifies collaboration between the University of East Anglia's School of International Development, the John Innes Centre and other bodies to facilitate joint projects with regard to agriculture in developing countries and the use of agricultural technologies. The start of this project has been delayed due to Covid19, £12,000 paid and accruals balance £738,000.

- 4.2e Sir Ben Gill fellowship that aims to consolidate the outputs of JIC's pea research, and to configure the germplasm to create a pre-breeding resource, establish and refine genomics based breeding tools with a vision to accelerate their translation into new pea varieties with industry demands for pea protein to supplement other food staples, and to meet changing dietary requirements for better health. This 5-year project commenced November 2020, £17,392 paid and accruals balance £368,670.
- 4.2f Chris Leaver fellowship - a specific research project devised with JIC and competitively procured in the very relevant area of starch synthesis in plants at the molecular level, in light of concerns around diet, nutrition and healthy living. This 5-year project commenced 2019, £207,376 paid and accruals balance £203,584

4.3 Education Grants of £61,017 (2020: £80,963) note 3 to the accounts most notably included:

- 4.3a £31,142 (2020: £29,208) Agricultural bursaries paid, assisting with degree education funding of three students (2020: four) from non-traditional farming backgrounds, at the Royal Agricultural University, Harper Adams University, and Newcastle University.
- 4.3b £30,000 (2020: 30,700) Food Farming and Discovery Trust - £15,000 supporting education in schools and the opportunity for young persons to learn about food, farming and the countryside, and career options, and a further £15,000 for Gaia science event in Norwich. Website <https://discoverytrust.co.uk>
- 4.3c £17,375 (2020: nil) LEAF Education £7,125 paid and £10,250 accrued note 11 to the accounts - a schools project in partnership with The SAW Trust and The Papillon Project on how legumes support sustainable agriculture in the UK. Website <https://leaf.eco/education/leaf-education>

Other education grants that continue to be supported and included in note 11 to the accounts (the commitments having been approved in prior periods) were:

- 4.3d JIC Undergraduate Summer School providing undergraduate students of any nationality with the unique opportunity to spend the summer experiencing first-hand what it is like to work in a world leading research environment. £20,000 per annum was agreed for 3 years building upon the previous successful summer school initiative but with cancellation due to Covid19 the accrual has been reduced by £20,000 leaving a total accrual of £40,000.
- 4.3e JIC Women of the Future events providing encouragement to female students to consider pursuing a career in science, with employers showing concern over the lack of women in STEMM. £1,500 paid with last event run on a virtual basis due to Covid19, £4,500 per annum accrued for next 3 years total £13,500.

4.4 Other grants of £139,457 (2020: £36,801) note 3 to the accounts most notably included:

- 4.4 a £90,000 (2020: nil) committed to new air conditioning to protect the valuable Rare Books Collection owned by JIF and situated at JIC.
- 4.4 b £29,847 (2020: £17,201) contribution to JIC with regards to the administration of the JIC Historical Collection. This grant is administered by JIC in accordance and was increased with the appointment of an archive assistant for an initial period of 1 year, now extended to December 2022. Website jic.ac.uk provides information on activities that grants contribute towards. £15,724 paid and £14,123 accrued.
- 4.4 c £9,000 (2020: £9,000) includes a contribution to recreation and sporting facilities and services to JIC students and staff.
- 4.4 d £3,000 (2020: £3,000) providing a contribution to Student Voice, which aims to represent the views of students across JIC to ensure they have the support they need through their PhD degrees. Support takes the form of social, academic, wellbeing and training events.

4.4e £6,410 (2020: £6,100) Sense About Science, Norwich Research Park Standing up for Science event covering engagement with the public, policymakers and journalists on important scientific issues. Website <https://senseaboutscience.org>

4.5 In support of JIF and the Trust's objectives and to secure a contribution from the Earlham Institute a lease was granted to the Earlham Institute by John Innes Foundation dated 2nd March 2015 for a term of 25 years from 1st December 2014 at an annual rent of £100,000 (since Increased to £112,689) with rent reviews on each 5th anniversary of that date throughout the term. The primary purpose of this arrangement is in accordance with the Foundation's objects.

4.6 In 2015/16, JIF completed two leases dated 27th July 2015 to each of JIC and The Sainsbury Laboratory, both for terms of 60 years from 27th July 2015. A peppercorn rent is levied on both lettings, each being compliant with JIF's and the Trust's charitable objectives.

Financial review

5.1 JIF's and the Trust's work is reliant on income and investment returns from its endowments. The capital value and capital gains of endowed investments is protected in so much that it cannot be used for grant disbursement, income however is transferred to non-endowed funds.

5.2 Income and capital gains from unendowed funds are available for charitable purposes of JIF and the Trust.

5.3 The charitable group had total income of £1,075,541 (2020: £873,808). Direct expenditure excluding depreciation amounted to £3,248,283 (2020: £1,955,258) and depreciation £338,123 (2020: £338,123) was charged to the financial statements for the year, resulting in a net deficit of £2,510,865 (2020 deficit: £1,419,573) before investment results.

5.4 There was a net gain of £6,120,994 (2020 net loss: £2,452,795) in the value of portfolio managed listed investments (see note 9 to the accounts), which together with other gains of £698,073 results in an increase of £4,308,202 (2020 decrease: £3,681,197) in total funds. This was due to new investments of £3,044,813 and also in part the strong recovery from Covid-19 in financial markets.

5.5 In the opinion of the trustees, the market value of the land and buildings at 31st March 2021 would exceed the book value included in the financial statements, but they are unable to quantify this excess in the absence of a full professional valuation, the costs of which are not considered justifiable.

Investment policy and performance

6.1 The value of the charitable group's market investments (net of fees and movements in cash held in brokers accounts) increased by £6,120,994 (2020 decrease: £2,452,795) during the year ending 31st March 2021 and generated £871,370 (2020: £667,667) in dividends and interest. This represents an income stream of 3.3% (investment income / opening balance of market invested funds) (2020 3.1%). The overall return for the year (net gains/losses on investments plus investment income less investment management fees as a percentage of opening balance of market invested funds) was 26.1% (2020: -8.0%).

6.2 Rathbones Investment Management Limited, Quilter Cheviot and Barratt & Cooke have managed the JIF portfolio during the year ended 31st March 2021. Investment reports are provided quarterly. JIF established an Investment Sub Committee (ISC) April 2021 to set and carry out policy in line with Charity Commission guidance, and investment managers meet with the ISC annually to agree requirements for the following year (and at other times as necessary) within the general requirement to maintain capital values while increasing income generation.

6.3 The charity is a long term investor and, on professional advice, continue to hold a mixed portfolio of equities, bonds, cash and other investments designed to provide a stable level of income and the possibility of investment gains. The returns in 6.1 compare with (for the same period) the MSCI PIMFA Private Investor Balanced total return index 22%.

Risk management

- 7.1 The principal risks faced by the Charitable Group lie in the performance of investments and operational risks from ineffective grant making and the capacity of the Charitable Group to make effective grants.
- 7.2 The trustees consider variability of investment returns on endowed and non-endowed funds to constitute the Charitable Group's major financial risk. This is mitigated by retaining expert investment managers and having a diversified investment portfolio.
- 7.3 The operational risk from ineffective research and student grant awards that are not consistent with the advancement of education is managed by firstly retaining trustees of sufficient skill and expertise and secondly through the quality of the institutions, particularly JIC, and their rigorous selection of the people who we support. A thorough process of reporting and reviewing the progress of students has been introduced which assists us in measuring the effectiveness and impact of JIF's support for education in agriculture, horticulture and biotechnology. This review process retains our focus on the public benefit derived from our funding of their work.
- 7.4 Operational risk covering both income and expenditure is also managed with the preparation of net movement in funds and cashflow forecasts, regular monitoring of actual performance against these forecasts and ensuring that adequate liquid resources are in place to meet the requirements of the business.
- 7.5 The Charitable Group maintains liability insurance for its trustees and officers as permitted by section 233 of the Companies Act 2006. The Charitable Group's insurance policy does not provide cover in the event that a trustee or officer is proved to have acted fraudulently or dishonestly.
- 7.6 The Trust holds a library collection of books and papers. The assets were acquired in past accounting periods and not capitalised. The value of such assets is excluded from the balance sheet reflecting the fact that reliable cost information is not available and conventional valuation approaches lack sufficient reliability. It is also assessed that the inclusion of such information would provide very limited (if any) additional benefit to users of the accounts in assessing the trustees' stewardship of the assets. The library collection is under the guardianship of John Innes Centre who employ an archivist, the cost to which JIF contributes. JIC is also responsible for insurance, valuation for insurance purposes 31st March 2021 £2,731,700.
- 7.7 The Charity has generated sufficient financial resources from its activities and holds a significant level of funds. Notwithstanding the impact of Covid-19 both nationally and globally, Trustees believe that the Charity is well placed to manage its activities and financial risks successfully. In reaching this conclusion the Trustees have recognised that while Covid-19 did have an impact on the economic environment, it was not as significant as trustees initially planned for.

Investments held by JIF as at 31st December 2019 immediately prior to the impact of Covid 19 were £30.7m. As at 31st March 2020, and following significant market decline in February, investments had already begun to recover, and were valued at £26.3m (note 9 to accounts). Capital growth has continued and as at 31st March 2021 value was £35.2m, including £3m new investment in June 2020.

- 7.8 In this context Trustees have also reviewed forecasts for the next 1 to 5 years from the date of approving these financial statements to confirm the resilience of the Charity to the impact of the pandemic, consulting with all investment managers on future prospects with regard to portfolio structures and returns.
- 7.9 Trustees do not consider that there has been any other significant increase in risks during the year and that funds have been applied appropriately. A risk register is maintained and reviewed at each Trustee meeting.

Reserves Policy

- 8.1 The reserves policy of the trustees is that the aggregated reserves of the Charitable Company and The Trust shall be sufficient to ensure that, when invested by the appointed investment manager, they shall produce sufficient income to fund budgeted costs each year and, over the long term, increase their capital value at least in line with inflation.
- 8.2 At 31st March 2021 the charitable group had free reserves of £2,476,350 (2020: £3,629,183) and this is considered sufficient for immediate needs (being unrestricted funds excluding unrestricted tangible fixed assets). The fall in value is due to the substantial sums now accrued in funding projects over the next 1-5 years.
- 8.3 At 31st March 2021 the charitable group held £38,654,496 (2020: £32,929,938) in endowment funds.

Plans for the future

- 9.1 JIF is a founding member of Anglia Innovation Partnership LLP, which continues to provide a unique opportunity for the Charitable Group to primarily realise the potential of the land within JIF's ownership in pursuance of its Charitable Objectives, while also providing it with a degree of influence over a business entirely compatible with its Charitable Objectives. The terms of the leased land are to be amended in the current financial year (continued from last year) with a view to JIF then having a greater influence on the development of an important charitable asset.
- 9.2 Trustees applaud the level and quality of the science undertaken by JIC and other organisations in and around the Norwich Research Park with support agreed over varying periods as mentioned above 4.1 to 4.4 – and continue to review further opportunities to provide additional support of studentships at educational centers focused on agriculture, horticulture and biotechnology.
- 9.3 The Charitable Group continues to maximise its pursuit of charitable objectives via the effective use of its assets. The sale of 66 acres of land at Newfound Farm to Barratt Developments (BDW Trading Ltd) for the sum of £17,314,983 was completed in March 2019 with payment agreed in 4 annual tranches. As at 31st March 2021 1 payment remains: £2,643,564 net of associated costs on 25th March 2022. The £1m contingency mentioned last year did not materialise save for a sum agreed of £111,940 allowed for in the aforementioned net receipt. Trustees also agreed during 2020 to contribute a capital sum of £4.5m to the proposed redevelopment of the John Innes Centre site (known as Next Generation Infrastructure – NGI). Given the conditionality associated with this proposal (most significantly that JIC's wider bid for funding is successful and the project approved), this is not yet recognised as a commitment by JIF.

If JIC's bid, which is ongoing, is successful, JIF may gain possession of certain existing buildings that will not be required as part of NGI. In which case, this will provide Trustees with the opportunity to increase further JIF's reach and impact. This commitment is disclosed within contingent liabilities (Note 12) being dependent upon a successful Government grant application by JIC and support to JIC from other external bodies.

- 9.4 An Option on the remainder of Newfound Farm, comprising a further 66 acres was agreed with an option fee of £155,000, rising to £175,000 if a condition precedent is discharged relating to the provision of playing field facilities which Barratt would be required to deliver if not provided by a 3rd party on an adjacent residential development site. The non-refundable option fee was paid on 6th September 2018 and recognised as income in accounts to 31st March 2019. The retention of £20,000 was paid 9th September 2020 and recognised in other income in accounts year end 31st March 2021. These 66 acres remain at cost in Land and Buildings pending determination of development potential.

Structure, governance and management

- 10.1 John Innes Foundation is an independent charity (registered Charity No. 1111527) and a company limited by guarantee (registered no. 05574485).
- 10.2 The John Innes Foundation Trust's property and original investments prior to 1972 have been quantified and disclosed as Endowment Funds held on permanent endowment trust as stated in the 2005 Charity Commission scheme. The endowment funds of John Innes Foundation Trust are held by John Innes Foundation as trustee subject to the trusts contained in the 2005 Scheme under which income arising from the Endowment Funds are transferred to the John Innes Foundation.
- 10.3 The Charities Commission, in a Scheme dated 4th November 2005, issued a Uniting Direction such that the financial statements show the aggregation of the results of the John Innes Foundation ("the charitable company") and the John Innes Foundation Trust ("the trust"), combining the results as if they are one entity. The charitable company is sole trustee of the trust and accordingly is not the beneficial owner of the trust's assets.
- 10.4 The charitable company is governed by its Memorandum and Articles of Association, incorporated on 26th September 2005 and registered with the Charity Commission on 30 September 2005. New Articles of Association were adopted on 27th October 2015, further updated and adopted on 10th July 2018, and again on 28th January 2021.
- 10.5 The Trust does not actively fundraise and seeks to continue the legacy of John Innes and charitable work through the careful stewardship of its existing resources.
- 10.6 Trustees meet four times each year to agree the broad strategy and areas of activity for the Trust, including consideration of grant making, investment (more specifically managed by an Investment Sub Committee), reserves and risk management policies and performance. Financial budgets based on estimated incomes from investments are approved annually and reviewed at Trustee meetings to recognise available funds for grant disbursement.
- 10.7 An Investment Sub Committee was formed April 2021 comprising 3 trustees and Financial Administrator in the capacity of Secretary, agreeing Terms of Reference and Investment Policy since ratified by the Board. This was undertaken having consideration to the increasing value and diversity of investments and Charity Commission good governance practice. The Sub Committee aims to meet bi-annually with Investment Managers.
- 10.8 A Remuneration Committee comprising 2 Trustees and 2 other independent persons govern Trustees remuneration.
- 10.9 The Trustees are selected to provide a range of business skills and understanding of the areas of activity undertaken by the charitable company. Briefings are received from appropriate experts on key issues facing the Trust.
- 10.10 The Trustees seek to follow the good practice as promulgated by (amongst others) the Charity Commission for England and Wales and has adopted the voluntary Charities Code of Governance. The minimum number of trustees is 3 with no maximum as stated in the Memorandum and Articles of Association of 10 July 2018. Trustees are appointed, with reference to a skills matrix to ensure trustees collectively offer the wide range of appropriate skills needed to manage and operate JIF effectively and also to ensure compliance with its charitable objects. Appointments are for a fixed term of 5 years which may be renewed for further terms of 5 years subject to re-election.
- 10.11 Day to day administration is sub-contracted to the Clerk to Trustees and Financial Administrator.

- 10.12 John Innes Centre is considered a related party of John Innes Foundation as one of the trustees sit on the Governing Council of John Innes Centre and occupies property owned by the charity (note 17 to the accounts).

Key management personnel remuneration

- 11.1 Trustees consider the board of the trustees and Chair of Trustees as comprising the key management personnel of the charity in directing and controlling the charity, assisted by a Clerk to Trustees and a Financial Administrator in running and operating the charity on a day-to-day basis.
- 11.2 Details of trustee remuneration and expenses and related party transactions are disclosed in notes 4, 5, 6 and 17 to the accounts. Remuneration is governed by the Remuneration Committee.

Reference and administration information Trustees:

The following served as Trustees (and Directors for the purposes of Company Law) during the year and/or as at the date of this report:

P D Innes (Chair of Trustees)
K R Norman
Dr D K Lawrence
D J McLeavy Hill
Dr T L Barsby OBE
Professor R S Hails

Registered Office:

High House Farm, Gunn Street, Foulsham,
Norfolk
NR20 5RN

Auditors:

Lovewell Blake LLP, Bankside 300, Peachman Way, Broadland Business Park, Norwich NR7 0LB

Solicitors:

Mills & Reeve LLP, Botanic House, 100 Hills Road, Cambridge CB2 1PH

Investment Managers:

Rathbone Investment Management Limited, 8 Finsbury Circus, London EC2M 7AZ
Quilter Cheviot, One Kingsway, London WC2B 6AN
Barratt & Cooke, 5 Opie Street, Norwich NR1 3DW

Clerk to Trustees:

David Harvey, Harvey & Co, High House Farm, Foulsham, Norfolk NR20 5RN

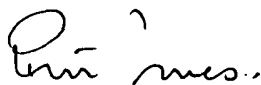
Financial Administrator:

Marshall ACMA, UKMarshall Ltd, 15 Seton Road, Taverham, Norwich, Norfolk NR8 6Q

Trustees' responsibilities in relation to financial statements

- 12.1 The trustees (who are also directors of John Innes Foundation for the purposes of company law) are responsible for preparing the report of the trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).
- 12.2 Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:
- select suitable accounting policies and then apply them consistently
 - observe the methods and principles in the Charities SORP 2019 (FRS102)
 - make judgments and accounting estimates that are reasonable and prudent
 - state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
 - prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in business.
- 12.3 The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable group and enable them to ensure that the financial statements comply with the Companies Act 2006, and Charities Act 2011. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.
- 12.4 The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.
- 12.5 In so far as each of the trustees is aware:
- there is no relevant audit information of which the charitable company's auditor is unaware
 - the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by the trustees on 27th October 2021 and signed on their behalf by:



P D Innes
Chair of Trustees

Independent Auditor's Report to the Members and Trustees of John Innes Foundation

Opinion

We have audited the financial statements of John Innes Foundation (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Charity aggregated Balance Sheet, Consolidated Statement of Cashflows, Consolidated Summary Income and Expenditure account and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 March 2021, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

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 group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent charitable 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.

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

Other information

The other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate and sufficient accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to apply the small companies exemption from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 11, the trustees (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- enquiry of management and those charged with governance to identify any instances of non-compliance with laws and regulations;
- reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- performing audit work over the risk of management override of controls, testing of journal entries and other adjustments for appropriateness, evaluation of the rational of significant transactions outside the normal course of activity and reviewing material accounting estimates for bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>.

This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members and its trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Lovewell Blake CB.

Tobias Wilson BA (Hons) FCA
Senior Statutory Auditor
for and on behalf of Lovewell Blake LLP
Statutory Auditor, Chartered Accountants
Norwich

29 December 2021

Consolidated Statement of Financial Activities for the year ending 31st March 2021

	Note	Unrestricted funds	Endowment funds	Total funds 2021	Total funds 2020
Income and endowments from:					
Charitable activities – rental income		117,858	-	117,858	106,483
Other trading activities		48,134	-	48,134	45,557
Investments	2	830,468	42,390	872,858	703,682
Other income	2	-	36,691	36,691	18,086
Total		996,460	79,081	1,075,541	873,808
Expenditure on:					
<i>Raising funds:</i>					
Investment Manager costs		18,522	122,187	140,709	86,736
Legal and other Professional Fees		5,975	29,435	35,410	18,906
Cost of raising funds		24,497	151,622	176,119	105,642
<i>Expenditure on charitable activities:</i>					
Grants and donations	3	2,979,116	-	2,979,116	1,738,819
Depreciation		263,523	74,600	338,123	338,123
Support and overhead costs	4	93,048	-	93,048	110,797
Cost of charitable activities		3,335,687	74,600	3,410,287	2,187,739
Total expenditure		3,360,184	226,222	3,586,406	2,293,381
Net income / (expenditure)		(2,363,724)	(147,141)	(2,510,865)	(1,419,573)
Net gains / (losses) on investments	9	947,368	5,173,626	6,120,994	(2,452,795)
Unwinding of discounts on investment sale	12	-	810,013	810,013	191,171
Other recognised gains / (losses)	12	-	(111,940)	(111,940)	-
Net movement in funds		(1,416,356)	5,724,558	4,308,202	(3,681,197)
Reconciliation of funds:					
Total funds brought forward		7,898,700	32,929,938	40,828,638	44,509,835
Total funds carried forward	15	6,482,344	38,654,496	45,136,840	40,828,638

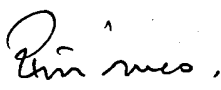
Consolidated Balance Sheet as at 31st March 2021
Registered number 05574485

	Note	Unrestricted funds	Endowment funds	Total funds 2021	Total funds 2020
Fixed assets:					
Tangible assets	7	4,005,994	1,319,300	5,325,294	5,663,417
Investments	9	5,198,505	30,957,100	36,155,605	27,130,507
Total fixed assets		9,204,499	32,276,400	41,480,899	32,793,924
Non-current assets:					
Debtors: Amounts falling due after more than one year	10	-	-	-	2,358,077
Current assets:	10				
Debtors		86,121	2,807,234	2,893,355	3,124,995
Cash at bank and in hand		1,117,369	3,795,057	4,912,426	4,336,655
Total current assets		1,203,490	6,602,291	7,805,781	7,461,650
Liabilities:	11				
Creditors: Amounts falling due within one year		(1,111,553)	(224,195)	(1,335,748)	(391,382)
Net current assets or liabilities		91,937	6,378,096	6,470,033	7,070,268
Total assets less current liabilities		9,296,436	38,654,496	47,950,932	42,222,269
Creditors: Amounts falling due after more than one year	11	(2,814,092)	-	(2,814,092)	(1,393,631)
Net assets		6,482,344	38,654,496	45,136,840	40,828,638
The funds of the charity:	14				
Endowment funds		-	38,654,496	38,654,496	32,929,938
Unrestricted funds		6,482,344	-	6,482,344	7,898,700
		6,482,344	38,654,496	45,136,840	40,828,638

The movement in funds of the charity (aggregated charitable company and charitable trust) for the financial year was £4,308,202 (2020: (£3,681,197)).

The accompanying accounting policies and notes on pages 19 to 32 form an integral part of these financial statements.

Approved by the trustees on 27th October 2021 and signed on their behalf by:



PD Innes
Chair of Trustees

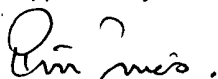
Charity Aggregated Balance Sheet as at 31st March 2021
Registered number 05574485

	Note	Charitable Company Unrestricted funds	Charitable Trust Endowment funds	Total funds 2021	Total funds 2020
Fixed assets:					
Tangible assets	7	4,005,994	1,319,300	5,325,294	5,663,417
Investments	9	5,198,505	30,957,100	36,155,605	27,130,507
Total fixed assets		9,204,499	32,276,400	41,480,899	32,793,924
Non-current assets:					
Debtors: Amounts falling due after more than one year	10	-	-	-	2,358,077
Current assets:	10				
Debtors		86,121	2,807,234	2,893,355	3,124,995
Cash at bank and in hand		1,117,369	3,795,057	4,912,426	4,336,655
Total current assets		1,203,490	6,602,291	7,805,781	7,461,650
Liabilities:					
Creditors: Amounts falling due within one year	11	(1,111,553)	(224,195)	(1,335,748)	(391,382)
Net current assets or liabilities		91,937	6,378,096	6,470,033	7,070,268
Total assets less current liabilities		9,296,436	38,654,496	47,950,932	42,222,269
Creditors: Amounts falling due after more than one year	11	(2,814,092)		(2,814,092)	(1,393,631)
Net assets		6,482,344	38,654,496	45,136,840	40,828,638
The funds of the charity:	14				
Endowment funds		-	38,654,496	38,654,496	32,929,938
Unrestricted funds		6,482,344	-	6,482,344	7,898,700
		6,482,344	38,654,496	45,136,840	40,828,638
Reconciliation of funds:	15				
Total funds brought forward		7,898,700	32,929,938	40,828,638	44,509,835
Net movement in funds		(1,416,356)	5,724,558	4,308,202	(3,681,197)
Total funds carried forward		6,482,344	38,654,496	45,136,840	40,828,638

The movement in funds of the charity (aggregated charitable company and charitable trust) for the financial year was £4,308,202 (2020: (£3,681,197)).

The accompanying accounting policies and notes on pages 19 to 32 form an integral part of these financial statements.

Approved by the trustees on 27th October 2021 and signed on their behalf by:



PD Innes, Chair of Trustees

Consolidated Statement of Cash Flows for the year ending 31st March 2021

	Note	Total funds 2021	Total funds 2020
Net cash used in operating activities	16	2,747,726	2,616,783
<i>Cash flows from activities:</i>			
Interest and dividends		872,858	703,682
Cash provided by investments and activities		3,620,584	3,320,465
<i>Cash flows from other sources:</i>			
Transfer to investment funds		(3,044,813)	(7,508,213)
 Change in cash and cash equivalents in the year		 575,771	 (4,187,748)
 Cash and cash equivalents brought forward		 4,336,655	 8,524,403
Cash and cash equivalents carried forward		4,912,426	4,336,655

Consolidated Summary Income and Expenditure Account for the year ending 31st March 2021

	2021	2020
Total income	1,075,541	873,808
Total expenditure	(3,586,406)	(2,293,381)
Gains/(losses) on investments	6,120,994	(2,452,795)
Income discounted cashflows	810,073	191,171
Other recognised gains/(losses)	(111,940)	-
Net income / expenditure for year	4,308,202	(3,681,197)

Detailed analysis of expenditure is provided in the statement of financial activities and notes 3 to 6.

The summary income and expenditure account is derived from the financial activities on page 15 which together with the notes to the financial statements on pages 19 to 32 provides full information on the movements during the year on all funds of the group.

Notes to the financial statements

1. Accounting Policies

a) Basis of preparation and assessment of going concern

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice : Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued October 2019 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), Companies Act 2006 and the Charities Act 2011.

John Innes Foundation is a private charitable company limited by guarantee and is governed by its Memorandum and Articles of Association.

The Charities Commission, in a Scheme dated 4 November 2005, issued a Uniting Direction such that the financial statements should show the aggregation of the results of John Innes Foundation ("the charitable company") and the John Innes Foundation Trust ("the trust") for submission to the Commission. An aggregation combines the results of the two entities to report them as if they were one entity. The charitable company is sole trustee of the trust and accordingly is not the beneficial owner of the trust's assets. The Uniting Direction, contained in the 2005 Scheme, requires the charitable company to file one set of financial statements aggregating the results of the charitable company and the trust. Information in respect of the trust has been identified separately within these financial statements to allow proper identification of the assets and liabilities of the charitable company and its subsidiaries as required by the Companies Act 2006. The charity aggregated balance sheet and the related notes separately identify the assets relating to the charity.

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

The trustees consider that there are no material uncertainties about the charitable company and group's ability to continue as a going concern. The charitable company and group have generated sufficient financial resources from its activities to allow the trustees to believe that the charitable company and group are well placed to manage their business risks successfully in the current economic climate and in consideration of the impact of the Covid-19 pandemic. Accordingly, the trustees have a reasonable expectation that the charitable company and group have adequate resources to continue in operational existence for the foreseeable future, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

b) Functional currency

The functional and reporting currency is £ sterling.

c) Basis of consolidation

The consolidated financial statements comprise the financial statements of John Innes Foundation and its subsidiary undertakings using acquisition accounting and aggregates the results, assets and liabilities of The John Innes Foundation Trust for which the charitable company is the sole trustee.

A separate statement of financial activities has not been included for John Innes Foundation by virtue of Section 408 of the Companies Act 2006. The net incoming resources for the year of John Innes Foundation are included in the consolidated statement of financial activities and the consolidated summary income and expenditure account.

d) Funds structure

The charity has a single permanent endowment bestowed by John Innes in 1904 and established under a scheme of the Charities Commission in 1909 to carry out investigation and research whether of a scientific or practical nature, into the growth of trees and plants generally. The will of John Innes also secured funding as part of the endowment of the John Innes (Merton) Boys Club, and a donation to the Rutlish Foundation to fund scholarships to Rutlish School, Merton being the home of John Innes. A relocation of the charity to Norwich was agreed in 1963.

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

Under the Charity Commission 2005 Scheme income arising from the Endowment Funds is transferred to the John Innes Foundation unrestricted funds. Capital appreciation / depreciation and realised gains / losses in value remain with the endowed fund.

e) Income recognition

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

Investment income is recognised on entitlement to the declared dividends and interest on cash deposits, and recognised on an accruals basis. One endowed investment portfolio is specific to fixed interest investments and structured for income to remain in the portfolio. Interest is included in investment income and reinvested back into capital under capital introduced.

Rental income is accounted for on a receivable basis.

An option over Newfound Farm land was granted to a third party in the year ended 31 March 2019 for an initial period of 10 years and the option fee of £155,000 treated as a payment on account of sale proceeds. The option fee was recognised as income in the year ended 31 March 2019 and is held as part of endowment funds. Given the various factors relating to this site it continues to be included under its original classification at cost and has not been revalued at 31st March 2021.

f) Expenditure recognition

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

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

Grants payable are payments made to third parties in the furtherance of the charitable objects of the Trust. In the case of an unconditional grant offer this is accrued once the recipient has been notified of the grant award. The notification gives the recipient a reasonable expectation that they will receive the one-year or multi-year grant. Grants awards that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled condition attaching to that grant is outside of the control of the Trust.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty as to the timing of the grant or the amount of grant payable.

g) Irrecoverable VAT

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

h) Allocation of support and governance costs

Governance costs comprise all costs involving the public accountability of the charitable company and its compliance with regulation and good practice. These costs include those related to the statutory audit, any legal fees incurred for advice to the trustees and an apportionment of support and overhead costs. Support costs and overheads have been allocated between charitable activities and governance. Costs are allocated on the basis of a best estimate of the purpose of expenditure.

i) Cost of raising funds

The costs of generating funds consist of investment management costs and certain legal fees.

j) Charitable activities

Costs of charitable activities include grants made, governance costs and an apportionment of support costs as shown in notes to the accounts.

k) Tangible fixed assets and depreciation

Depreciation is provided by the group to write off the cost less estimated residual value of tangible fixed assets by equal instalments over the estimated useful economic lives as follows:

Freehold land	not depreciated
Freehold buildings	34 to 50 years

Expenditure on freehold buildings is financed (in part) by grants from other granting bodies. In accordance with the Charities SORP, the amount so expended on fixed assets is capitalised and grants received by the charitable company are included within general funds (having been expended in accordance with the grant conditions).

Tangible fixed assets are stated at cost subject to depreciation and impairment.

l) Fixed asset investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the bid price at the year-end date. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The Trust does not acquire put options, derivatives or other complex financial instruments.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

Land held as an investment is held at valuation.

m) Heritage assets

The charity holds a library collection of books and papers. The assets were acquired in past accounting periods and not capitalised. The value of such assets is excluded from the balance sheet reflecting the fact that reliable cost information is not available and conventional valuation approaches lack sufficient reliability. It is also assessed that the inclusion of such information would provide very limited (if any) additional benefit to users of the accounts in assessing the trustees' stewardship of the assets. However, it should be noted that their valuation for insurance purposes (insured by JIC) is £2,731,700.

n) Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

o) Pensions

There are no employees of the charity.

p) Contingent liabilities

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

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

q) Programme related and mixed motive investments

A programme related investment is an asset held by the group in order to directly further the charitable purposes of the investing charity. Any financial return obtained is incidental to the primary reason for making the investment. Such assets include those held to further the charitable aims of the charity by funding specific activities or related tangible fixed assets of a third party which, in turn, contribute to the investor's own charitable purposes. Such assets are measured at amortised cost and are assessed for objective evidence of impairment at the end of each reporting period. Such an assessment takes account of their service potential in pursuit of charitable objects.

Where an apportionment of value between a property asset held for financial return and for non-financial motives (mixed motives) is impractical, the whole asset is classed as a fixed asset.

r) Estimations and accounting judgements

In the application of accounting policies described in note 1, Trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision only affects that period or in the period of the revision and future periods if the revision affects current and future periods.

The areas which require the exercising of judgement and reflect a degree estimation uncertainty relate to:

- the fixed assets: determination of useful economic lives and classification as programme related investments (note k above and note 9).
- investments: the assessment of impairment risk relating to the investment in Anglia Innovation Partnership LLP ('AIP LLP') and its classification as a programme related investment (note l above and note 11).
- discount rates: as applied in calculating the value of deferred receipts or payments (note 12 concerning receipts while payments are not discounted, not being considered a material factor).

In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year although given their nature such a risk exists.

2. Investment income

	Unrestricted funds	Endowed funds	2021 £	2020 £
Investments	828,980	42,390	871,370	667,667
Bank Interest	1,488	-	1,488	36,015
	830,468	42,390	872,858	703,682
Other income	-	36,691	36,691	18,086

3. Analysis of charitable expenditure - grants and donations

	2021 £	2020 £
Premises for scientific research and learning	-	54,994
Studentships	2,284,530	356,500
Research grants	494,112	1,209,561
Education	61,017	80,963
Other grants and donations	139,457	36,801
	2,979,116	1,738,819

Purpose	Paid to	2021 £ Paid and/or accrued
Studentships	JIC	2,284,530
Research grants:		
Data driven science fellowship	Earlham Institute	333,204
Amylose Research fellowship	Quadram Institute	160,908
Research grants total		494,112
Education:		
Undergraduate Summer School*	JIC	(20,000)
Women of the Future	JIC	1,500
FFDT annual operations and Gaia science event	Food Farming & Discovery Trust	30,000
Pulse project	LEAF Education	17,375
Annual grant as per governing document	Rutlish Foundation	1,000
Agricultural bursaries	Individuals	31,142
Education total		61,017
Other grants:		
Rare books collection - administration	JIC	29,847
Rare books air conditioning units	JIC	90,000
Student support activities	JIC	12,000
Diversity focused lectures	JIC	700
Stakeholder communications in science events	Sense About Science	6,410
Other	Other	500
Other grants total		139,457

*Accrued in 2020 but 2021 event cancelled due to Covid.

All costs were from unrestricted funds for both 2021 and 2020

4. Analysis of support and overhead costs

	2021	2020
	£	£
<i>Support and overhead costs</i>		
Trustee costs and expenses including meetings	37,367	45,537
Clerk to Trustees and Financial Administration	39,017	49,235
Auditors remuneration	9,600	9,420
Other professional fees	1,004	-
Insurances	4,897	4,703
Other costs	1,163	1,902
	<u>93,048</u>	<u>110,797</u>

All costs were from unrestricted funds for both 2020 and 2019

5. Governance costs

	2021	2020
	£	£
Trustees' remuneration	37,000	36,250
Trustees' indemnity insurance	4,897	4,703
Trustees' and clerk's expenses	367	5,162
Auditor's remuneration	9,600	9,420
Legal fees	-	-
Administrator's fees	39,017	48,855
Other Accounting fees	1,004	380
Other support costs	1,163	486
	<u>93,048</u>	<u>105,256</u>

6. Trustees remuneration

	2021	2020
	£	£
P D Innes	10,000	10,000
K R Norman	6,000	6,250
Dr D Lawrence	5,000	5,000
D M Hill	5,000	5,000
Dr T L Barsby	6,000	5,000
Prof R Hails	5,000	5,000
	37,000	36,250

The scheme for the charitable company agreed by the Charities Commission on 24th January 2018 following a review by the Remuneration Committee and application to the Charities Commission, authorises remuneration to a maximum of £40,000 and incorporated within The Articles dated 10th July 2018, to be divided among Trustees in such amounts as approved by resolution of the Trustees and recommended by the charity's Remuneration Committee. No trustee shall receive more than 25% of the total amount payable.

The minimum number of trustees is 3 with no maximum as stated in the Memorandum and Articles of Association of 10th July 2018.

The 6 trustees (2020: 6) incurred an aggregate sum of £367 (2020: £9,287) for travel expenses and meeting costs. This reduction was due to changes in operations due to Covid restrictions.

Directors and officers liability insurance of £4,897 (2020: £4,703) was incurred in the year. There are considered to be no other Key Management Personnel in addition to the Trustees.

No individual earned over £60,000.

7. Consolidated tangible fixed assets

Consolidate Tangible fixed assets - land & buildings	Unrestricted funds	Endowment funds	Total funds 2021
	£	£	£
Cost at 1st April 2020	13,002,039	2,960,500	15,962,539
At 31st March 2021	13,002,039	2,960,500	15,962,539
Depreciation at 1st April 2020	8,732,522	1,566,600	10,299,122
Charge for the year	263,523	74,600	338,123
At 31st March 2021	8,996,045	1,641,200	10,637,245
Net book value at 31st March 2020	4,269,517	1,393,900	5,663,417
Net book value at 31st March 2021	4,005,994	1,319,300	5,325,294

Note 7 Consolidated tangible fixed assets continued

All tangible fixed assets are considered Program Related Investments, all being used by third parties congruent with charitable objectives.

During the year ended 31st March 2013 the Trustees reviewed the carrying value of the Earlham Institute within land and buildings above. The building was originally designed and built for a specific user and the trustees are pleased that it now continues to be used for scientific purposes. After taking professional advice regarding the value of the building it was identified that the current net book value was greater than the net realisable value and the value in use. Therefore, an impairment charge of £2.2m was identified and applied in 2013.

The Trustees considered an appropriate method for valuation of the Earlham Institute given the nature of the asset. The Trustees have taken advice from Harvey & Co, chartered surveyors and property development consultants, and considered the value of the property based on it being fully utilised and commercially let. This is considered an appropriate method to identify the cost of a similar replacement asset of similar size and nature

In the year ended 31st March 2018, the Trustees gave further consideration of the carrying value of the Earlham Institute and have concluded that the carrying value of this does not exceed the net realisable value or its value in use. This remains unchanged as of 31st March 2021.

Endowed funds include £367,800 not depreciated being held at cost.

8. Charity aggregated tangible fixed assets

The narrative given in note 7 with regard to consolidated fixed assets is equally applicable to those held by the Charity aggregated with the trust.

Aggregated Tangible fixed assets - land & buildings	Unrestricted funds	Endowment funds	Total funds 2021
	£	£	£
Cost at 1st April 2020	10,973,314	2,960,500	13,933,814
At 31st March 2021	10,973,314	2,960,500	13,933,814
Depreciation at 1st April 2020	6,703,797	1,566,600	8,270,397
Charge for the year	263,523	74,600	338,123
At 31st March 2021	6,967,320	1,641,200	8,608,520
Net book value at 31st March 2020	4,269,517	1,393,900	5,663,417
Net book value at 31st March 2021	4,005,994	1,319,300	5,325,294

9. Investments

	2021		2020	
	Group	Charity & Trust	Group	Charity & Trust
	£	£	£	£
Listed investments and Cash	35,322,605	35,322,605	26,297,507	26,297,507
Investment in subsidiary undertaking	-	1,083,001	-	1,083,001
Provision	-	(250,001)	-	(250,001)
Investment in AIP LLP	833,000	-	833,000	-
	<u>36,155,605</u>	<u>36,155,605</u>	<u>27,130,507</u>	<u>27,130,507</u>

Listed investments and cash	Cash	Portfolio	Total 2021
Market value brought forward	1,969,073	24,328,434	26,297,507
Capital introduced	3,044,813	-	3,044,813
Additions to investments	(7,592,149)	7,592,149	-
Disposal proceeds	3,233,951	(3,233,951)	-
Management fees	(140,709)	-	(140,709)
Gains on investments	-	6,120,994	6,120,994
	<u>514,979</u>	<u>34,807,626</u>	<u>35,322,605</u>

	2021	2020
	£	£
Investment portfolio consists of:		
Equities	26,430,547	17,116,953
Fixed interest securities	4,840,318	3,673,196
Alternative investments	3,536,761	3,538,285
Cash	514,979	1,969,073
Total	<u>35,322,605</u>	<u>26,297,507</u>

The provision against the investment in subsidiary undertakings has been made as the net assets of John Innes Bioprospects Limited solely comprise its investment as a partner in Anglia Innovation Partnership ('AIP' LLP). Management consider AIP LLP to be a mixed motive investment in that it is not primarily held for financial objectives. Premises and facilities are also provided for research which contributes to the charitable objectives of John Innes Foundation. It is noted that in the last twelve months the cash flow trajectory of AIP LLP has improved, and the investment continues to contribute to the wider objects and purpose of the Group. No impairment is considered necessary at this time but is monitored annually.

The investment portfolios are balanced funds with no single shareholding more than 2.2 % (2019: 2.2%) of total fund value.

The following are the operating undertakings in which the charitable company held an interest during the year:

Subsidiary undertaking	Country of Registration	Principal activity	Class and percentage shares held
John Innes Bioprospects Limited	England	Holding Company	100% ordinary shares

John Innes Bioprospects Limited did not trade in the year and has net assets of £833,000 (being the investment in AIP LLP). Its registered office address is the same as that of JIF.

10. Analysis of current and non-current assets

	2021		2020	
	Group	Charity & Trust	Group	Charity & Trust
	£	£	£	£
<i>Debtors under 1 year:</i>				
Prepayments and accrued income	86,121	86,121	62,966	62,966
Trade debtors	-	-	26,684	26,684
Sundry debtors - Newfound Farm sale proceeds	2,807,234	2,807,234	3,035,345	3,035,345
Cash at Bank	4,962,426	4,962,426	4,336,655	4,336,655
	<u>7,855,781</u>	<u>7,855,781</u>	<u>7,461,650</u>	<u>7,461,650</u>
<i>Debtors over 1 year:</i>				
Sundry debtors - Newfound Farm sale proceeds	-	-	2,358,077	2,358,077

Sundry debtors Newfound Farm sale proceeds are discounted at a rate of 6% per annum having regard to rates of return on investments (note 12).

11. Analysis of current and long-term liabilities

	2021		2020	
	Group	Charity & Trust	Group	Charity & Trust
	£	£	£	£
<i>Creditors under 1 year:</i>				
Trade creditors	31,285	31,285	24,027	24,027
Sundry creditors – Newfound Farm disposal costs	161,655	161,655	55,704	55,704
Tax and social security	2,927	2,927	2,438	2,438
Committed grants	1,034,325	1,034,325	190,812	190,812
Other accruals and deferred income	105,556	105,556	118,401	118,401
	<u>1,335,748</u>	<u>1,335,748</u>	<u>391,382</u>	<u>391,382</u>
<i>Creditors over 1 year:</i>				
Sundry creditors – Newfound Farm disposal costs	-	-	43,453	43,453
Committed grants	2,814,092	2,814,092	1,350,178	1,350,178
Other accruals and deferred income	2,814,092	2,814,092	1,393,631	1,393,631

Sundry creditors Newfound Farm disposal costs are discounted at a rate of 6% per annum having regard to rates of return on investments.

	2021	2020
	£	£
Deferred income b/f	30,099	37,099
Transferred to income	(30,099)	(30,099)
Deferred in year (Earlham Institute advance rent invoiced)	26,029	23,099
Deferred income c/f	<u>26,029</u>	<u>30,099</u>

	2021	2020
	£	£
Committed grants:		
B/f	1,540,990	388,745
Committed grants b/f paid in year	(157,236)	(114,266)
Commitments made in year due after 31st March 2021	2,464,663	1,266,511
Committed grants c/f	<u>3,848,417</u>	<u>1,540,990</u>

12. Contingent assets and liabilities

Concurrent with an agreement to sell 66 acres of Newfound Farm, Norwich, an overage agreement dated 26th March 2019 for a term of 15 years with BDW Trading Ltd was agreed and includes the potential for overage arising subject to planning consents and the number of affordable housing units. This could result in a gain of up to circa £570k. The receipt of such amounts remains uncertain.

The contract for the sale of 66 acres at Newfound Farm, Norwich to BDW Trading Ltd included a contingency to fund up to £1m of required improvements to the Thickthorn interchange, Cringleford. This was a condition of the planning permission obtained by BDW Trading Ltd and dependent on Highways England for implementation. This has now been crystallised at a figure of £111,940 subject to a section 106 agreement with South Norfolk Council (2020: no provision made) and is to be deducted from the final stage payment due March 2022. This sum has been accounted for under 'Other recognised gains/losses' within the Statement of Financial Activities.

Given the extended period over which proceeds from the sale of 66 acres at Newfound Farm, Norwich, were to be received such proceeds have been included in the financial statements on a discounted basis to allow for the time value of money. The discount rate being used is 6% (being an estimate of investment returns). The release of the discount in the year ended 31st March 2021 was £810,013 (2020: £191,171).

On 24th August 2018 the Charity and Trust entered into an option agreement to sell the remaining 66 acres of land at Newfound Farm, Norwich. Such a sale is dependent upon such land being approved for development. Such approval remains uncertain and consequently no adjustment has been made to the carrying value of the related asset which is carried at cost. In the event that such approval is granted, and the option price exercised, it is expected that there would be a material increase in the value of the land relative to its present carrying value.

Trustees have agreed to contribute £4.5m to the proposed redevelopment of the John Innes Centre site (known as Next Generation Infrastructure – NGI). This is contingent on the successful bid for Government and other funding by JIC. As part of this, JIF may gain possession of certain existing buildings that will not be required as part of NGI in which case, this will provide Trustees with the opportunity to increase further JIF's reach and impact. Of the £4.5m, £2.25m would now potentially be due July 2028, and balance of £2.25m July 2030 and funded from existing resources.

There were no other Contingent Liabilities other than the above relating to either the group or the Charity and Trust in 2021.

13. Post Balance Sheet Events.

- Trustees have agreed to fund costs for a new JIC Recreation Centre Manager for 6 months of £8,692 and this will be accounted for in 2021/22. The Recreation Centre being an important asset for the wellbeing of staff.
- Trustees have agreed to fund a further £43,000 in respect of the Ben Gill Fellowship for equipment essential to the research being undertaken and this will be accounted for in 2021/22.

14. Group and Charity analysis of net assets

Year ended 31 March 2021	Unrestricted fund	Endowment Fund	Total
	£	£	£
Tangible fixed assets	4,005,994	1,319,300	5,325,294
Investments	5,198,505	30,957,100	36,155,605
Debtors due in 1 year	86,121	2,807,224	2,893,355
Debtors due after 1 year	-	-	-
Cash at bank	1,117,369	3,795,057	4,912,426
Creditors due in 1 year	(1,111,553)	(224,195)	(1,335,748)
Creditors due after 1 year	(2,814,092)	-	(2,814,092)
	<u>6,482,344</u>	<u>38,654,496</u>	<u>45,136,840</u>

Year ended 31 March 2020	Unrestricted fund	Endowment Fund	Total
	£	£	£
Tangible fixed assets	4,269,517	1,393,900	5,663,417
Investments	4,269,658	22,860,849	27,130,507
Debtors due in 1 year	-	2,358,077	2,358,077
Debtors due after 1 year	89,650	3,035,345	3,124,995
Cash at bank	892,402	3,444,253	4,336,655
Creditors due in 1 year	(272,349)	(119,033)	(391,382)
Creditors due after 1 year	(1,350,178)	(43,453)	(1,393,631)
	<u>7,898,700</u>	<u>32,929,938</u>	<u>40,828,638</u>

15. Group and Charity aggregated analysis of charitable funds

	Bal B/fwd	Income	Expenditure	Gains/Losses	Discounted Cashflows	Fund C/fwd
	£	£	£	£	£	£
Endowment funds	32,929,938	79,081	(226,222)	5,061,686	810,013	38,654,496
Unrestricted funds	7,898,700	996,460	(3,360,184)	947,368	-	6,482,344
Total	<u>40,828,638</u>	<u>1,075,541</u>	<u>(3,586,406)</u>	<u>6,009,054</u>	<u>810,013</u>	<u>45,136,840</u>

16. Reconciliation of net movement in funds to net cash flow from operating activities

	2021	2020
	£	£
Net movement in funds	4,308,202	(3,681,197)
Add back losses / deduct gains on investments	(6,120,994)	2,452,795
Investment income	(872,858)	(703,682)
Add back depreciation charge	338,123	338,123
Deduct Investment Management Fees paid from Broker Capital Accounts	140,709	86,736
Decrease (increase) in debtors	2,589,717	3,241,287
Increase (decrease) in creditors	2,414,827	882,721
Net cash used in operating activities	<u>2,797,726</u>	<u>2,616,783</u>

The movement in debtors and creditors is net of sundry debtors and sundry creditors (Notes 10 and 11) which relate to future dated transactions in respect of Newfound Farm sale proceeds and costs of sale.

17. Related party transactions

The charitable registration number within these financial statements represents both the Company and John Innes Foundation Trust ('the Trust') in line with a Uniting Direction from the Charity Commissioners dated 4th November 2005.

Transactions between the Charitable Company and the Trust during the year have been as follows:

- The Charitable Company, as part of the hive up from John Innes Bioprospects limited, had a lease of land from the Trust on which the building occupied by Earlham Institute (formerly known as the Genome Analysis Centre) was constructed. A new lease dated 2 March 2015 commenced on 1 December 2014 between John Innes Foundation in its capacity as sole trustee of the John Innes Foundation Trust as landlord, and the Genome Analysis Centre (now the Earlham Institute) as tenant for a term of 25 years to 30th November 2039. The rent for the first year was £70,000, increasing to £100,000pa until the first rent review on 30 November 2019 at which time the rent increased to £112,689pa. However, the increase was waived by JIF for the first year following the rent review. The new rent therefore took effect on 1 December 2020.
- Pursuant to the 2005 Scheme the Charitable Company is entitled to all income arising on the trust's property and investments from 4th November 2005.

John Innes Centre is considered a related party of John Innes Foundation as one of the trustees sit on the Governing Council of John Innes Centre.

Note 17 Related party transactions continued

Transactions between the entities can be summarised as follows:

Paid and/or accrued by the Foundation to John Innes Centre:

	2021	2020
	£	£
Grants for studentships	2,284,530	356,500
Grant for staff welfare	12,000	12,000
Grant for administration salaries	29,572	17,201
Grant for swimming pool repair and refurbishment	-	53,950
Grant for Sir Ben Gill Fellowship	-	386,061
Undergraduate Summer School	(20,000)	72,030
Women of the Future event	1,500	15,500
Rare books conservation	275	525
Rare books air conditioning	90,000	-
Diversity focused lectures	700	-
JIC Oral History Project	-	1,500
JIC total	2,398,577	915,267

In 2015/16, JIF completed a lease dated 27th July 2015 to JIC for terms of 60 years from 27th July 2015. A peppercorn rent is levied on this letting which is compliant with JIF's charitable objectives.

A balance of £18,036 (2020: £22,816) was outstanding to JIC at the year end for grants and £2,687,107 (2020: £401,929) accrued in grants.

A grant of £333,204 was committed to the Earlham Institute. £20,835 was paid in the year and £312,379 was outstanding at the year end.

LEAF Systems is considered a related party of John Innes Foundation as one of the trustees is a Director of LEAF. A grant of £17,375 was committed to LEAF Systems of which £10,250 was outstanding at the year end.

During the year John Innes Foundation were due ground rents of £48,134 (2019: £45,557) from Anglia Innovation Partnership LLP ('AIP LLP') an entity the group holds an investment in. A balance of £7,846 (2020: £7,655) was outstanding at the year end.

18. Lease and Tenancy Agreement income

Lease dated 2nd March 2015 commencing 1st December 2014 to Earlham Institute (note 17) income £104,284 (2020: £100,000) with 5 yearly rent reviews. December 2019 kept at £100,000 for further 12 months and December 2020 uplifted to £112,689 per annum.

Farm Business Tenancy dated 1st August 2013 to Morley Farms Ltd £1,515 per annum replaced with new agreement dated 28th January 2020 and then 25th February 2021 for 2 years from 1st October 2020 to 30th September 2022 for £757 per annum being the remaining land area at Newfound Farm upon which BDW Trading Ltd has an option agreement (note 12). Income £6,574 (2020: £6,483) includes Single Farm Payment subsidies.

19. Members liability

The Company is limited by guarantee. The liability to the members is limited to a sum not exceeding £10, being the amount each member undertakes to contribute to the assets of the charity in the event it is wound up which he, she or it is a member or within one year after he, she or it ceases to be a member.