

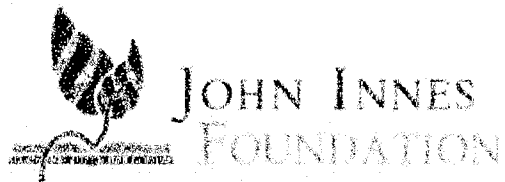
John Innes Foundation

Report and Financial Statements

Year ended: 31st March 2022

Charity no: 1111527

Company no: 05574485



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Report of the trustees for the year ended 31st March 2022 (Incorporating the Directors' report)

- 1.1 The trustees present their annual report and financial statements of the charity for the year ended 31st March 2022. 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 2022.
- 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

- 2.5 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 research institutes and organisations.
 - 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 carry 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 objective to deliver public benefit.

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

- 4.0 Land and buildings detailed in 3.1a above are leased on concessionary terms and Trustees engaged a Chartered Surveyor to provide a high level opinion of the value of concessionary rents, which in October 2021 were estimated at £1,552,050 per annum. This provides a 'programme related' investment at the Norwich Research Park complex and contributes to JIF's aims and objectives by providing land and buildings at a substantial discount to open market rents, enabling lessees to maximise resources in undertaking scientific research.

The following reviews grants paid during the year and commitments outstanding as at 31st March 2022 (note 3a to the accounts). Separately, the Consolidated Statement of Financial Activities in accordance with SORP requires reporting of all new grant commitments agreed after last financial year end, and which have either been paid during the year or accrued at year end - note 3b to the accounts.

- 4.1 Studentships paid during the year £422,609 (2021: £378,000) and year end accrued commitment £1,913,921 (2021: 1,906,530) (note 3 to the accounts):
 - 4.1a Wholly relates to JIC student rotation programme renamed "John Innes Foundation PhD Programme in Plant and Microbial Sciences" in recognition of the substantial funding provided each year. JIC attracts students of the highest calibre from within the UK and abroad, as the programme nurtures tomorrow's scientists enhancing knowledge of healthy plant development and threats from the natural environment. Website jic.ac.uk
 - There are 21 students (11 UK) throughout the 4-year programme and JIF annually commit to rolling 4-year support, £430,000 being committed to extend to August 2026. Accruals balance for this period £1,913,921.
- 4.2 Research Grants paid during the year £530,567 (2021: £149,338) and year end accrued commitment £1,256,247 (2021: £1,743,314) (note 3 to the accounts):
 - 4.2a £72,570 paid 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, and as at 31st March 2022 £279,945 paid and accruals balance £131,015.

- 4.2b £69,565 paid Sir Ben Gill fellowship - a project 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, and as at 31st March 2022 £86,956 paid and accruals balance £299,105.
- Additional to this, £43,500 was agreed and paid for new equipment necessary for the work being undertaken.
- 4.2c £175,500 paid University of East Anglia funding of two fellows at the recently 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. This 5-year project commenced August 2020, and as at 31st March 2022 £187,500 paid and accruals balance £562,500
- 4.2d £83,300 paid Earlham Institute Fellowship - a project in data driven science contributing to closing a recognised skills gap in computational biology aiding important national and global future developments in agricultural traits. The 4-year Fellowship commenced March 2021, and as at 31st March 2022 £104,126 paid and accruals balance £229,078.
- 4.2e £86,132 paid Quadram Institute Amylose Research Fellowship - a project 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. The 2-year Fellowship commenced October 2020, and as at 31st March 2022 £126,359 paid and accruals balance £34,549.
- 4.3 Education Grants paid during the year £120,570 (2021: £55,767) and year end accrued commitment £80,000 (2021: £93,750) note 3 to the accounts included:
- 4.3a £39,150 paid included £7,708 for the prior academic year (2021: £31,142 included £4,625 for the prior academic year) Agricultural bursaries, assisting with degree education funding of four financially disadvantaged students from non-traditional farming backgrounds, at the Royal Agricultural University, Harper Adams University and Newcastle University.
- 4.3b £30,000 paid (2021: £30,000) Food Farming and Discovery Trust (FFDT) - £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>.
- Additionally, accruals made £10,000 funding a series of AgriTech events Autumn2022/Spring2023 showcasing the diverse career opportunities available to year 12 students and another £10,000 to develop resources within FFDT to ramp up actions to create a first-class food and farming education programme in the East Anglia region.
- 4.3c £20,000 paid towards 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. Support of £20,000 per annum was agreed for 3 years and one year accrual remains at £20,000.
- 4.3d £2,500 paid 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 STEM. Support of £4,500 per annum was agreed for 3 years and one year accrual £4,500 remains with an accruals adjustment of £6,500 due to event cancellation and change to virtual events during Covid19 lockdowns.

- 4.3e £7,670 (2021 £6,410) paid 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>
- 4.3f £15,250 paid (2021: £7,125) LEAF Education - 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>. £23,000 agreed to continue with the project in 2022/23 of which £5,000 paid (included above), and £18,000 accrued as at 31st March 2022.
- 4.3g £Nil paid - £17,500 accrual for 2022/23 JIC Year in Industry. The scheme supporting science education and running since 2013 provides a unique springboard for some of the UK's most talented undergraduate scientists with work placements within research groups at JIC.
- 4.4 Other grants paid during the year £146,438 (2021: £88,584) and year end accrued commitment £80,663 (2021: £104,823) note 3 to the accounts included:
 - 4.4 a £89,450 paid and previously accrued for new air conditioning to protect the valuable Rare Books Collection owned by JIF and situated at JIC.
 - 4.4 b £22,289 paid (2021: £29,847) contribution to JIC with regards to the administration of the JIC Historical Collection. This grant is administered by JIC principally providing for an Archivist and an assistant, the latter currently contracted to December 2022. £4,963 accrued re assistant archivist. Website jic.ac.uk provides information on activities that grants contribute towards.
 - 4.4 c £9,000 paid (2021: £9,000) includes a contribution to recreation and sporting facilities and services to JIC students and staff.
 - 4.4 d £3,000 paid (2021: £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.
 - 4.4 e £17,199 paid for newly appointed JIC Recreation Centre Manager to August 2022, managing a valuable resource to the JIC site, for the wellbeing of staff and students.
 - 4.4 f £5,000 paid Sense About Science - JIC's participation in the Evidence Week at Westminster event organised by Sense About Science sharing research on agriculture and climate change with policy makers to inform policy making and build support for science.
 - 4.4 g £Nil paid - £75,000 accrued for pilot of a new AIP Seed Enterprise Fund potentially extending to £375k over 4 years complementing support from UKRI and BBSRC enabling a range of pre-seed support interventions to take ideas through to a viable and fundable business.
- 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 their 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 £1,143,152 (2021: £1,075,541). Direct expenditure excluding depreciation amounted to £987,460 (2021: £3,248,283) and depreciation £338,123 (2021: £338,123) was charged to the financial statements for the year, resulting in a net deficit of £182,431 (2021 deficit: £2,510,865) before investment results.
- 5.4 There was a net gain of £2,401,007 (2021: £6,120,994) in the value of portfolio managed listed investments (see note 9 to the accounts), which together with losses arising in the final calculations in respect of the sale of Newfound Farm £238,774 (2021: £111,940) resulted in an increase of £1,979,802 (2021: £4,308,202) in total funds.

The sale of Newfound Farm included conditions to contribute to developer costs in respect of local infrastructure, namely the Thickthorn Roundabout Interchange. With plan changes by Highways England and the surge in costs caused by global events with Covid19 and war in Ukraine, the net resulting final costs amounted to £238,774 in addition to the £111,940 provided in the prior year.

- 5.5 In the opinion of the trustees, the market value of the land and buildings at 31st March 2022 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 £2,401,007 (2021: £6,120,994) during the year ending 31st March 2022 and generated £976,137 (2021: £871,370) in dividends and interest. This represents an income stream of 2.8% (investment income / opening balance of market invested funds) (2021 3.3%). 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 9.1% (2021: 26.1%).
- 6.2 Rathbones Investment Management Limited, Quilter Cheviot and Barratt & Cooke have managed the JIF portfolio during the year ended 31st March 2022. 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 7.8%.

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 2022 £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 over the last couple of years, as well as the financial impact occurring from the conflict in Ukraine, 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. The situation in Ukraine and its effects on the global economy is still evolving but the financial impacts on JIF as a charity are balanced by its diverse portfolio and fund management.
- Investments held by JIF as at 31st December 2019 immediately prior to the impact of Covid 19 were £30.7m. As at 31st March 2022 these now stand at £37.6m (2021: £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, 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 2022 the charitable group had free reserves of £3,183,478 (2021: £2,476,350) 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 2022 the charitable group held £40,190,693 (2021: £38,654,496) 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 centres 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 four annual tranches. As at 31st March 2022 one payment remained of £2,462,757 (received August 2022) net of associated costs referred to in 5.4 above. 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 three 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 two Trustees and two 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 Jason Vincent (non trustee) sits on the Governing Council of John Innes Centre as JIF's representative and one trustee (currently Tina Barsby) acts as an observer at JIC Governing Council meetings (note 16 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 16 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, Senator House, 85 Queen Victoria Street, London EC4V 4AB
Barratt & Cooke, 5 Opie Street, Norwich NR1 3DW

Clerk to Trustees:

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

Financial Administrator:

David 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. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:
- select suitable accounting policies and then apply them consistently
 - observe the methods and principles in the Charities SORP 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 operation.
- 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 group'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 1st November 2022 and signed on their behalf by:

Peter Innes

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 2022 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 2022, 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 (incorporated into the trustees' 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 prepare the statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the directors report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 12, 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.



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

15 December 2022.

Consolidated Statement of Financial Activities for the year ending 31st March 2022

	Note	Unrestricted funds	Endowment funds	Total funds 2022	Total funds 2021
Income and endowments from:					
Charitable activities – rental income		118,250	-	118,250	117,858
Other trading activities		48,226	-	48,226	48,134
Investments	2	929,391	47,285	976,676	872,858
Other income	2	-	-	-	36,691
Total		1,095,867	47,285	1,143,152	1,075,541
Expenditure on:					
<i>Raising funds:</i>					
Investment Manager costs		20,433	125,377	145,810	140,709
Legal and other Professional Fees		4,950	25,670	30,620	35,410
Cost of raising funds		25,383	151,047	176,430	176,119
<i>Expenditure on charitable activities:</i>					
Grants and donations	3	702,598	-	702,598	2,979,116
Depreciation		263,523	74,600	338,123	338,123
Support and overhead costs	4	108,432	-	108,432	93,048
Cost of charitable activities		1,074,553	74,600	1,149,153	3,410,287
Total expenditure		1,099,936	225,647	1,325,583	3,586,406
Net income / (expenditure)		(4,069)	(178,362)	(182,431)	(2,510,865)
Net gains / (losses) on investments	9	447,674	1,953,333	2,401,007	6,120,994
Unwinding of discounts on investment sale	12	-	-	-	810,013
Other recognised gains / (losses)	12	-	(238,774)	(238,774)	(111,940)
Net movement in funds		443,605	1,536,197	1,979,802	4,308,202
Reconciliation of funds:					
Total funds brought forward		6,482,344	38,654,496	45,136,840	40,828,638
Total funds carried forward	14	6,925,949	40,190,693	47,116,642	45,136,840

Consolidated Balance Sheet as at 31st March 2022
Registered number 05574485

	Note	Unrestricted funds	Endowment funds	Total funds 2022	Total funds 2021
Fixed assets:					
Tangible assets	7	3,742,471	1,244,700	4,987,171	5,325,294
Investments	9	5,625,746	32,832,291	38,458,037	36,155,605
Total fixed assets		9,368,217	34,076,991	43,445,208	41,480,899
Current assets:	10				
Debtors		155,216	2,807,234	2,962,450	2,893,355
Cash at bank and in hand		830,476	3,708,168	4,538,644	4,912,426
Total current assets		985,692	6,515,402	7,501,094	7,805,781
Liabilities:	11				
Creditors: Amounts falling due within one year		(1,125,817)	(401,700)	(1,527,517)	(1,335,748)
Net current assets or liabilities		(140,125)	6,113,702	5,973,577	6,470,033
Total assets less current liabilities		9,228,092	40,190,693	49,418,785	47,950,932
Creditors: Amounts falling due after more than one year	11	(2,302,143)	-	(2,302,143)	(2,814,092)
Net assets		6,925,949	40,190,693	47,116,642	45,136,840
The funds of the charity:	13				
Endowment funds		-	40,190,693	40,190,693	38,654,496
Unrestricted funds		6,925,949	-	6,925,949	6,482,344
		6,925,949	40,190,693	47,116,642	45,136,840

The movement in funds of the charity (aggregated charitable company and charitable trust) for the financial year was £1,979,802 (2021: (£4,308,202)).

The accompanying accounting policies and notes on pages 20 to 33 form an integral part of these financial statements.

Approved by the trustees on 1st November 2022 and signed on their behalf by:

Peter Innes

PD Innes
Chair of Trustees

Charity Aggregated Balance Sheet as at 31st March 2022
Registered number 05574485

	Note	Charitable Company Unrestricted funds	Charitable Trust Endowment funds	Total funds 2022	Total funds 2021
Fixed assets:					
Tangible assets	7	3,742,471	1,244,700	4,987,171	5,325,294
Investments	9	5,625,746	32,832,291	38,458,037	36,155,605
Total fixed assets		9,368,217	34,076,991	43,445,208	41,480,899
Current assets:	10				
Debtors		155,216	2,807,234	2,962,450	2,893,355
Cash at bank and in hand		830,476	3,708,168	4,538,644	4,912,426
Total current assets		985,692	6,515,402	7,501,094	7,805,781
Liabilities:					
Creditors: Amounts falling due within one year	11	(1,125,817)	(401,700)	(1,527,517)	(1,335,748)
Net current assets or liabilities		(140,125)	6,113,702	5,973,577	6,470,033
Total assets less current liabilities		9,228,092	40,190,693	49,418,785	47,950,932
Creditors: Amounts falling due after more than one year	11	(2,302,143)	-	(2,302,143)	(2,814,092)
Net assets		6,925,949	40,190,693	47,116,642	45,136,840
The funds of the charity:	13				
Endowment funds		-	40,190,693	40,190,693	38,654,496
Unrestricted funds		6,925,949	-	6,925,949	6,482,344
		6,925,949	40,190,693	47,116,642	45,136,840
Reconciliation of funds:	14				
Total funds brought forward		6,482,344	38,654,496	45,136,840	40,828,638
Net movement in funds		443,605	1,536,197	1,979,802	4,308,202
Total funds carried forward		6,925,949	40,190,693	47,116,642	45,136,840

The movement in funds of the charity (aggregated charitable company and charitable trust) for the financial year was £1,979,802 (2021: (£4,308,202)).

The accompanying accounting policies and notes on pages 20 to 33 form an integral part of these financial statements.

Approved by the trustees on 1st November 2022 and signed on their behalf by:

Peter Innes

PD Innes, Chair of Trustees

Consolidated Statement of Cash Flows for the year ending 31st March 2022

	Note	Total funds 2022	Total funds 2021
Net cash used in operating activities	15	(1,303,223)	2,747,726
<i>Cash flows from activities:</i>			
Interest and dividends		976,676	872,858
Cash provided by investments and activities		(326,547)	3,620,584
<i>Cash flows from other sources:</i>			
Transfer to investment funds		(47,235)	(3,044,813)
 Change in cash and cash equivalents in the year		 (373,782)	 575,771
Cash and cash equivalents brought forward		4,912,426	4,336,655
Cash and cash equivalents carried forward		4,538,644	4,912,426

Consolidated Summary Income and Expenditure Account for the year ending 31st March 2022

	2022	2021
Total income	1,143,152	1,075,541
Total expenditure	(1,325,583)	(3,586,406)
Gains/(losses) on investments	2,401,007	6,120,994
Income discounted cashflows	-	810,013
Other recognised gains/(losses)	(238,774)	(111,940)
Net income / expenditure for year	1,979,802	4,308,202

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 16 which together with the notes to the financial statements on pages 20 to 33 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 2022.

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	Originally 34 to 50 years but subsequently amended with changes in valuations and lease terms.

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.

m) 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.

n) Pensions - there are no employees of the charity.

o) 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

p) 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.

q) 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).
- grants: the point at which such grants should be recognised as outgoing expenses when there are conditional terms attached thereto (note 12 concerning material amounts not yet recognised).

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	2022 £	2021 £
Investments	928,852	47,285	976,137	871,370
Bank Interest	539	-	539	1,488
	929,391	47,285	976,676	872,858
Other income	-	-	-	36,691

3. Analysis of charitable expenditure - grants and donations

3a: Grants Payable 2022

Reconciliation of grants payable	Studentships £	Research £	Education £	Other £	2022 £
Commitments at 1st April 2021	1,906,530	1,743,314	93,750	104,823	3,848,417
Commitments made in the year	430,000	43,500	113,320	122,828	709,648
Grants cancelled or recovered	-	-	(6,500)	(550)	(7,050)
Grants payable for the year (Note 3b)	430,000	43,500	106,820	122,278	702,598
Grants paid during the year	(422,609)	(530,567)	(120,570)	(146,438)	(1,220,184)
Commitments at 31st March 2022	1,913,921	1,256,247	80,000	80,663	3,330,831
Within one year	443,921	424,104	80,000	80,663	1,028,688
After more than one year	1,470,000	832,143	-	-	2,302,143
	1,913,921	1,256,247	80,000	80,663	3,330,831

Grants Payable 2021

Reconciliation of grants payable	Studentships £	Research £	Education £	Other £	2021 £
Commitments at 1st April 2021	-	1,398,540	88,500	53,950	1,540,990
Commitments made in the year	2,284,530	494,112	81,017	139,457	2,999,116
Grants cancelled or recovered	-	-	(20,000)	-	(20,000)
Grants payable for the year	2,284,530	494,112	61,017	139,457	2,979,116
Grants paid during the year	(378,000)	(149,338)	(55,767)	(88,584)	(671,689)
Commitments at 31st March 2022	1,906,530	1,743,314	93,750	104,823	3,848,417
Within one year	417,609	447,143	64,750	104,823	1,034,325
After more than one year	1,488,921	1,296,171	29,000	-	2,814,092
	1,906,530	1,743,314	93,750	104,823	3,848,417

All costs were from unrestricted funds for both 2022 and 2021

3b: Grant commitments agreed during the year

Purpose	Paid to	£
Studentships	JIC	430,000
Research grants:	JIC	43,500
Education:		
Women of the future (Accrual for event cancelled)	JIC	(6,500)
Year in Industry	JIC	17,500
FFDT annual operations	Food Farming & Discovery Trust	20,000
Pulse project	LEAF Education	23,000
Summer Science Challenge Book	SAW Trust	5,000
Voice of Young Science	Sense About Science	7,670
Annual grant as per Governing Document	Rutlish Foundation	1,000
Agricultural bursaries	Individuals	39,150
Education total		106,820
Other grants:		
Rare books collection - administration	JIC	13,129
Rare books airconditioning units over accrued	JIC	(550)
Student support activities	JIC	12,000
Recreation Centre Manager	JIC	17,199
Science Evidence Week	Sense About Science	5,000
AIP Seed Enterprise Fund	AIP	75,000
Other	Other	500
Other grants total		122,278

4. Analysis of support and overhead costs

	2022	2021
<i>Support and overhead costs</i>	£	£
Trustee costs and expenses including meetings	39,966	37,367
Clerk to Trustees and Financial Administration	49,052	39,017
Auditors remuneration	12,107	9,600
Other professional fees	404	1,004
Insurances	5,507	4,897
Other costs	1,396	1,163
	108,432	93,048

All costs were from unrestricted funds for both 2022 and 2021

5. Governance costs

	2022	2021
	£	£
Trustees' remuneration	37,000	37,000
Trustees' indemnity insurance	5,507	4,897
Trustees' and clerk's expenses	2,966	367
Auditor's remuneration	12,107	9,600
Auditor's remuneration - non audit fees	404	1,004
Administrator's fees	49,052	39,017
Other support costs	1,396	1,163
	108,432	93,048

6. Trustees remuneration

	2022	2021
	£	£
P D Innes	10,000	10,000
K R Norman	6,000	6,000
Dr D Lawrence	5,000	5,000
D M Hill	5,000	5,000
Dr T L Barsby	6,000	6,000
Prof R Hails	5,000	5,000
	37,000	37,000

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 payable 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 one Trustee is to receive more than 25% of the maximum.

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 (2021: 6) incurred an aggregate sum of £2,966 (2021: £367) for travel expenses and meeting costs. Prior year was restricted to virtual meetings due to Covid19 restrictions.

Directors and officers liability insurance of £5,507 (2021: £4,897) was incurred in the year. There are considered to be no other Key Management Personnel in addition to the Trustees.

There were no employees and no individual earned over £60,000.

7. Consolidated tangible fixed assets

Consolidate Tangible fixed assets - land & buildings	Unrestricted funds	Endowment funds	Total funds 2022
	£	£	£
Cost at 1st April 2021	13,002,039	2,960,500	15,962,539
At 31st March 2022	13,002,039	2,960,500	15,962,539
Depreciation at 1st April 2021	8,996,045	1,641,200	10,637,245
Charge for the year	263,523	74,600	338,123
At 31st March 2022	9,259,568	1,715,800	10,975,368
Net book value at 31st March 2021	4,005,994	1,319,300	5,325,294
Net book value at 31st March 2022	3,742,471	1,244,700	4,987,171

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 Earham 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 Earham 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 Earham 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 2022.

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 2022
	£	£	£
Cost at 1st April 2021	10,973,314	2,960,500	13,933,814
At 31st March 2022	10,973,314	2,960,500	13,933,814
Depreciation at 1st April 2021	6,967,320	1,641,200	8,608,520
Charge for the year	263,523	74,600	338,123
At 31st March 2021	7,230,843	1,715,800	8,946,643
Net book value at 31st March 2021	4,005,994	1,319,300	5,325,294
Net book value at 31st March 2022	3,742,471	1,244,700	4,987,171

9. Investments

	2022		2021	
	Group	Charity & Trust	Group	Charity & Trust
	£	£	£	£
Listed investments and Cash	37,625,037	37,625,037	35,322,605	35,322,605
Investment in subsidiary undertaking	-	1,083,001	-	1,083,001
Provision	-	(250,001)	-	(250,001)
Investment in AIP LLP	833,000	-	833,000	-
	38,458,037	38,458,037	36,155,605	36,155,605

	Cash	Portfolio	Total 2022
Listed investments and cash			
Market value brought forward	514,979	34,807,626	35,322,605
Capital introduced	47,235	-	47,235
Additions to investments	(2,679,821)	2,679,821	-
Disposal proceeds	2,710,941	(2,710,941)	-
Management fees	(145,810)	-	(145,810)
Gains on investments	-	2,401,007	2,401,007
	447,524	37,177,513	37,625,037

	2022	2021
	£	£
Investment portfolio consists of:		
Equities	27,480,548	26,430,547
Fixed interest securities	4,948,111	4,840,318
Alternative investments	4,748,855	3,536,761
Cash	447,523	514,979
Total	37,625,037	35,322,605

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. 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 % (2021: 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

	2022		2021	
	Group	Charity & Trust	Group	Charity & Trust
	£	£	£	£
<i>Debtors under 1 year:</i>				
Prepayments and accrued income	122,239	122,239	86,121	86,121
Trade debtors	32,977	32,977	-	-
Sundry debtors - Newfound Farm sale proceeds	2,807,234	2,807,234	2,807,234	2,807,234
Cash at Bank	4,538,644	4,538,644	4,912,426	4,912,426
	<u>7,501,094</u>	<u>7,501,094</u>	<u>7,805,781</u>	<u>7,805,781</u>
<i>Debtors over 1 year:</i>				
Sundry debtors - Newfound Farm sale proceeds	-	-	-	-

11. Analysis of current and long-term liabilities

	2022		2021	
	Group	Charity & Trust	Group	Charity & Trust
	£	£	£	£
<i>Creditors under 1 year:</i>				
Trade creditors	49,933	49,933	31,285	31,285
Sundry creditors – Newfound Farm disposal costs	401,700	401,700	161,655	161,655
Tax and social security	2,621	2,621	2,927	2,927
Committed grants	1,028,688	1,028,688	1,034,325	1,034,325
Other accruals and deferred income	44,575	44,575	105,556	105,556
	<u>1,527,517</u>	<u>1,527,517</u>	<u>1,335,748</u>	<u>1,335,748</u>
<i>Creditors over 1 year:</i>				
Committed grants	2,302,143	2,302,143	2,814,092	2,814,092
Other accruals and deferred income	2,302,143	2,301,143	2,814,092	2,814,092

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

	2022	2021
	£	£
Deferred income b/f	26,029	30,099
Transferred to income	(26,029)	(30,099)
Deferred in year (Earlham Institute advance rent invoiced)	26,029	26,029
Deferred income c/f	<u>26,029</u>	<u>26,029</u>

12. Contingent assets and liabilities

The agreement to sell 66 acres of 132 acres of 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 £344,477 (2021: £111,940 provision made) deducted from the final stage payment received August 2022. This sum has been accounted for under 'Other recognised gains/losses' within the Statement of Financial Activities, the resulting figure of £238,774 therein adjusted for other professional costs calculated as a percentage of the final total sum received from BDW Trading Ltd.

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 planning permission being obtained for residential 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 create revenue and 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. Group and Charity analysis of net assets

Year ended 31 March 2022	Unrestricted fund	Endowment Fund	Total
	£	£	£
Tangible fixed assets	3,742,471	1,244,700	4,987,171
Investments	5,625,746	32,832,291	38,458,037
Debtors due in 1 year	155,216	2,807,234	2,962,450
Debtors due after 1 year	-	-	-
Cash at bank	830,476	3,708,168	4,538,644
Creditors due in 1 year	(1,125,817)	(401,700)	(1,527,517)
Creditors due after 1 year	(2,302,143)	-	(2,302,143)
	<u>6,925,949</u>	<u>40,190,693</u>	<u>47,116,642</u>

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	2,807,234	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>

14. Group and Charity aggregated analysis of charitable funds

	Bal B/fwd	Income	Expenditure	Gains/Losses	Other recognised losses	Fund C/fwd
	£	£	£	£	£	£
Endowment funds	38,654,496	47,285	(225,647)	1,953,333	(238,774)	40,190,693
Unrestricted funds	<u>6,482,344</u>	<u>1,095,867</u>	<u>(1,099,936)</u>	<u>447,674</u>	<u>-</u>	<u>6,925,949</u>
Total	<u>45,136,840</u>	<u>1,143,152</u>	<u>(1,325,583)</u>	<u>2,401,007</u>	<u>(238,774)</u>	<u>47,116,642</u>

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

	2022	2021
	£	£
Net movement in funds	1,979,802	4,308,202
Add back losses / deduct gains on investments	(2,401,007)	(6,120,994)
Investment income	(976,676)	(872,858)
Add back depreciation charge	338,123	338,123
Deduct Investment Management Fees paid from Broker Capital Accounts	145,810	140,709
Decrease (increase) in debtors	(69,095)	2,589,717
Increase (decrease) in creditors	(320,180)	2,414,827
Net cash used in operating activities	<u>(1,303,223)</u>	<u>2,797,726</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.

16. 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 Earham 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 Earham 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 Jason Vincent (non trustee) sits on the Governing Council of John Innes Centre as JIF's representative and one trustee (currently Tina Barsby) acts as an observer at JIC Governing Council meetings.

Transactions between the entities can be summarised as follows:

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

	2022	2021
	£	£
Grants for studentships	430,000	2,284,530
Grant for staff welfare	12,000	12,000
Grant for Year in Industry	17,500	-
Grant for administration salaries	13,129	29,572
Grant for Sir Ben Gill Fellowship	43,500	-
Undergraduate Summer School	-	(20,000)
Women of the Future event	(6,500)	1,500
Rare books conservation	-	275
Rare books air conditioning	(550)	90,000
Diversity focused lectures	-	700
Recreation Centre Manager	17,199	-
JIC total	<u>526,278</u>	<u>2,398,577</u>

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 £37,073 (2021: £18,036) was outstanding to JIC at the year end for grants and £2,391,704 (2021: £2,687,107) accrued in grants.

A grant of £333,204 was committed to the Earlham Institute in 2020. £83,301 was paid in the year and £229,078 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 in 2020. £10,250 was paid in the year fully paying this commitment. New commitment of £23,000 agreed 2022. £5,000 was paid in the year and £18,000 was outstanding at year end.

During the year John Innes Foundation were due ground rents of £48,226 (2021: £48,134) from Anglia Innovation Partnership LLP ('AIP LLP') an entity the group holds an investment in. A balance of £7,799 (2021: £7,846) was outstanding at the year end. A grant of £75,000 was awarded to AIP during the year for a new Seed Enterprise Fund.

17. Lease and Tenancy Agreement income

Lease dated 2nd March 2015 commencing 1st December 2014 to Earlham Institute (note 16) 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 at a rent of £1,515 per annum plus the annual Single Farm Payment (replaced by the Basic Payment Scheme in 2015). The tenancy agreement was 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 £5,562 (2021: £6,574) includes Basic Payment Scheme payments.

18. 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.