

JOHN INNES CENTRE

Annual Report and Accounts for the year ended 31 March 2023

Registered charity number: 223852

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INTRODUCTION

Introduction to the Annual Report

The Board of Trustees, who are directors for the purposes of company law, present their Annual Report and the audited consolidated financial statements for the year ended 31 March 2023.

John Innes Centre ("JIC") is a company limited by guarantee and a registered charity. The Annual Report provides information on the legal purposes of the charity, the activities it undertakes and its main achievements. The Annual Report has been prepared in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice (SORP), Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), together with the reporting requirements of the Companies Act 2006 and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS102.

Message from the Chair of the Governing Council

It is an exceptionally exciting time here at the John Innes Centre, as we embark on an ambitious programme of development both to the site and the way that we work. The Governing Council and I are delighted to be able to support the institute to deliver this bold vision of the future.

It has been my pleasure this year to be able to welcome Professor Moore into the role of Director. He is an outstanding scientist and a world-class Director for the John Innes Centre. He brings decades of leadership experience, a wealth of research expertise in crop improvement as well as a strong appreciation for fundamental research.

Our Healthy Plants, Healthy People, Healthy Planet vision, launched with The Sainsbury Laboratory, really does embody the breadth and depth of the research, and its potential to secure a healthier, more sustainable future for our planet. To meet the challenges that we face as a society, this ambitious programme will create a modern new home for these two world-leading research institutes, and a hub for plant and microbial innovation, together with the Earlham Institute, Quadram Institute, the University of East Anglia, the Anglia Innovation Partnership LLP and the Norfolk and Norwich University Hospital here on the Norwich Research Park.

The John Innes Centre is embarking on a new period of even greater collaboration in all our work nationally and internationally. Together with our many partners we can achieve so much more as we tackle the biggest challenges facing the planet. This will include extending our work with governments, farmers, industry, and charitable foundations.

Sir Thomas Hughes-Hallett, Chair

TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT

JOHN INNES CENTRE

The John Innes Centre (JIC) is a world-leading international centre of excellence in plant science and microbiology. Our mission is to generate knowledge of plants and microbes through fundamental research and to use this knowledge to benefit agriculture, the environment, human health and well-being. We train excellent scientists for the future and engage with policy makers and the public.

Our joint strategy with The Sainsbury Laboratory, Healthy Plants, Healthy People, Healthy Planet (HP³) outlines our vision for delivering a safer, healthier and more sustainable future through the power of plant and microbial science.

NEXT GENERATION INFRASTRUCTURE

During the year, we have secured UKRI Infrastructure Fund capital investment of £317.7m to develop a new world-class research environment at the heart of the Norwich Research Park.

This transformational investment will fund new cutting-edge, world-class facilities for the JIC and The Sainsbury Laboratory (TSL) to deliver a step change in our capability to translate scientific knowledge into bio-based solutions in response to some of society's most pressing challenges.

As well as transforming the existing capabilities of the JIC and The Sainsbury Laboratory, both internationally recognised centres of excellence in plant and microbial science, the new hub also aims to deliver a net-zero carbon laboratory.

Securing this funding is a major step forward in realising our vision to improve collaborative working across the UK and overseas, helping us to provide a safer, healthier and more sustainable future through the power of plant and microbial science.

As well as new laboratories, the investment includes a redevelopment of our plant growth facilities, which in conjunction with our existing field station, will improve our ability to study the effects of climate change.

HP³ has also garnered generous contributions from the Gatsby Charitable Foundation, the University of East Anglia, the John Innes Foundation, the Wolfson Foundation and the Garfield Weston Foundation.

Construction of the research hub is expected to be completed in 2030 and requires an ongoing fundraising campaign to secure a further £30m to support the full cost of the programme.

OUR IMPACT

The emerging socio-economic impacts from our research have been quantified by Brookdale Consulting using case studies from across our patent portfolio and include research in agri-tech for food security, health, and innovation in natural and new-to-nature chemicals.

- JIC is ranked among the top 10 institutions in the world by patent influence.
- We support 881 jobs.
- Return on investment (ROI) of £15.29 per £1 invested, based on a sample of commercialisation projects and research costs.
- JIC's extensive training activities are estimated to contribute £89m to the UK economy over the next decade and a further £49m internationally.

Overall, the report highlights JIC's significant contributions to the UK economy and its position as a global leader in science, knowledge, and innovation.

- **Food security** - With the global population expected to reach nine billion by 2050, JIC's research on improving wheat and oilseed rape yields and mitigating the impact of vernalisation in brassicas is crucial for ensuring food security.
- **Staying healthier for longer** - As the proportion of UK citizens living beyond 65 increases dramatically, JIC's fundamental bioscience research on resistant starch, antibiotics, and other high-value compounds is critical to enabling people to stay healthy for longer.
- **Developing renewable 'low carbon' energy and chemicals through bioscience** - JIC's research on developing high-value products from plants, such as adjuvants and drugs, improving extraction sustainability, and increasing oil content in oilseed rape, has the potential to revolutionize the renewable energy and chemical industries.

SCIENCE ACHIEVEMENTS

Discovery of wheat's clustered chemical defences creates new avenues for research

By using recent advances in mapping of bread wheat's complex genome, a collaborative team discovered several sets of genes in wheat that are switched on when the plant is attacked by disease-causing microbes.

These genes are found in six biosynthetic gene clusters in the wheat genome and were found to encode a versatile set of molecules including triterpenes, diterpenes and flavonoids, including a previously unknown molecule which was named ellarinacin.

+ Pathogen-induced Biosynthetic Pathways Encode Defence-Related Molecules in Bread Wheat appears, *PNAS*. DOI: 10.1073/pnas.2123299119

Gene-edited tomatoes could be a new source of vitamin D

Tomatoes gene-edited to produce vitamin D, the sunshine vitamin, could be a simple and sustainable innovation to address a global health problem.

Professor Cathie Martin's group used CRISPR-Cas9 gene editing to make revisions to the genetic code of tomato plants so that provitamin D3 accumulates in the tomato fruit. This was then converted to vitamin D3 through exposure to UVB light.

+ Biofortified tomatoes provide a new route to vitamin D sufficiency, *Nature Plants*. DOI: 10.1038/s41477-022-01154-6

What sea cucumbers can teach us about self-defence

Genome mining techniques have helped to explain how sea cucumbers produce defensive chemicals that enable them to fend off foes and defend their ecological niche at the bottom of the ocean.

These curious marine animals produce a category of molecule known as triterpenoid saponins which are widespread in plants, but rare in animals. Until now the question of how they evolved their unusual ability to produce these molecules has been unexplained.

This research showed that an enzyme, essential for building membranes and hormones, was missing in sea cucumber and instead they have two alternative genes, with new functions. One to make an alternative type of saponin for self-defence, and the other produces molecules that protects the sea cucumber from the toxic effects of its own chemicals.

+ Innate immunity in sea cucumbers: repurposing sterol biosynthesis for defense, *Nature Chemical Biology*. DOI: 10.1038/s41589-022-01054-y

How environmental changes affect the shapes of RNA in living cells

The impact of environmental conditions on the dynamic structures of RNAs in living cells has been revealed by innovative technology developed through a collaboration between the groups of Professor Dame Caroline Dean FRS and Dr Yiliang Ding. This research increases our understanding of what happens at cellular level in response to environmental signals and raises the possibility that we may use this knowledge to fine-tune crops or develop RNA-based therapies for diseases.

The understanding of how RNA structure affects RNA function and the ability to engineer plant genomes at the RNA cellular level, increases the possibility of designing crop types with more desirable agronomic and nutritional traits. The group says that the technology can also be applied to human cells where RNA structures could serve as a guide for designing RNA-based therapies.

+ In vivo single-molecule analysis reveals COOLAIR RNA structural diversity, *Nature*. DOI: 10.1038/s41586-022-05135-9

Heated plot experiments reveal link between warmer early winters and lower crop yields

Innovative experiments using temperature-controlled field plots have helped to explain the link between early winter temperatures and yield in some of our most marketable arable crops.

Laboratory and in-field technology enabled the team to simulate full growing seasons and establish that chilling is important in late November/early December because it promotes growth during early floral development of the crop.

They showed that oilseed rape plants can undergo a developmental phase known as flower bud dormancy if the winter temperature is too warm. This physiological process occurs as the microscopic, newly formed buds lie inactive waiting for low temperatures to signal growth and is well understood in perennial plants which grow year after year.

This development stage was not known to exist in annual crops.

Winter warming controls flowering time via bud dormancy activation and affects yield in a winter annual crop, *PNAS*. DOI: 10.1073/pnas.2204355119.

The science of how plants register trauma catches a new wave

Longstanding theories of how plants rely on calcium waves to respond systemically to wounding and other stresses have been given a fresh perspective. Research, from Dr Christine Faulkner's group has shown that calcium waves are not a primary response, but rather they are a secondary response to a wave of amino acids released from the wound.

These findings challenge established thinking on long distance plant signalling molecules and the mechanisms by which information travels from the point of stress through living and non-living plant tissues.

Diffusion and bulk flow of amino acids mediate calcium waves in plants appears, *Science Advances*. DOI: 10.1126/sciadv.abo6693

New Green Revolution gene discovery sows hope of drought resilient wheat

Reduced height, or semi-dwarf, wheat varieties with improved drought resilience may soon be grown in fields across the globe following an exciting scientific discovery.

Dr Philippa Borrill's have discovered a new height-reducing gene Rht13 which means that seeds can be planted deeper in the soil giving access to moisture, without the adverse effect on seedling emergence seen with existing wheat varieties. Varieties of wheat with the Rht13 gene could be rapidly bred into wheat varieties to enable farmers to grow reduced-height wheat in drier soil conditions.

+ An autoactive NB-LRR gene causes Rht13 dwarfism in wheat, *PNAS*. DOI: 10.1073/pnas.2209875119

Sweet salvation – how a sugar cane pathogen is gearing up a new era of antibiotic discovery

A potent plant toxin with a unique way of killing harmful bacteria has emerged as one of the strongest new antibiotic candidates in decades. Albicidin, is produced by the bacterial plant pathogen *Xanthomonas albilineans*, which causes the devastating leaf scald disease in sugar cane. Dr Dmitry Ghilarov's research group exploited advances in cryo-electron microscopy to show that albidin forms an L-shape, enabling it to interact with both the gyrase and the DNA in a unique way. In this state gyrase can no longer move to bring the DNA ends together.

The way albidin interacts with gyrase is sufficiently different from existing antibiotics that the molecule and its derivatives are likely to be effective against many of the current antibiotic resistant bacteria.

+ Molecular mechanism of topoisomerase poisoning by a potent peptide antibiotic, *Nature Catalysis*. DOI: 10.1038/s41929-022-00904-1

Can gene discovery methods halt the global march of wheat blast?

An international research collaboration has used innovative genomic discovery methods to show how we might halt the emerging and highly destructive disease, wheat blast. In experiments researchers identified two genes which protected experimental wheat plants against exposure to the fungal pathogen *Magnaporthe oryzae* which causes blast.

To make the discovery, the team used a technique called AgRenSeq, which allowed them to search for useful genes among a panel of heritage wheat varieties called the Watkins Collection. They also searched among wild grass relatives of wheat.

+ A wheat kinase and immune receptor form host-specificity barriers against the blast fungus, appears, *Nature Plants*. DOI: 10.1038/s41477-023-01357-5

Women in Wheat

Women in Wheat is a targeted career development programme established in 2019 to address the lack of female representation in wheat research at the independent career stage. It aims to support early-career female researchers to continue working in wheat research and attain senior research positions.

In August 2022, a career development training and networking event was held for fourteen early-career researchers from JIC, TSL, Rothamsted Research and the University of Nottingham. This training and networking event included one-to-one mentoring, inspirational career talks from external speakers working in wheat research and targeted career development training. Over two days attendees covered topics such as leadership skills, time management and work-life balance, influencing change and being an active bystander.

Since the Women in Wheat Mentoring programme was established, 28 participants from across the JIC and The Sainsbury Laboratory have benefitted. Four participants have secured independent research positions in academia, two have secured positions in industry, and others have secured fantastic postdoc opportunities.

Awards and honours

Professor Anne Osbourn OBE, FRS has been awarded three honours over the past 12 months. These honours show the scientific excellence and societal relevance of her pioneering work. She was elected as a member of the prestigious European Molecular Biology Organisation (EMBO), and as an international member of the National Academy of Sciences (NAS), one of the United States' highest honours for scientists, engineers and health professionals.

Finally, she was awarded the prestigious 2023 Novozymes Prize for her work in helping to produce important drugs in greater volumes and improving the natural defence systems of plants. The Prize awarded by the Novo Nordisk Foundation recognises outstanding research or technology contributions that benefit biotechnological science.

Dr Susan Schlimpert was named as a new member of the EMBO (European Molecular Biology Organisation) Young Investigator Programme. The prestigious programme supports outstanding early career group leaders who have an excellent track record of scientific achievement. Dr Schlimpert's group investigates molecular mechanisms that underpin the lifecycle of *Streptomyces* bacteria, producers of more than 50% of all clinically used antibiotics.

Professor Martin Howard was awarded the 2022 Institute of Physics, Rosalind Franklin Medal. The prestigious award recognises Professor Howard's pioneering work in applying concepts from statistical physics to molecular biology.

Professor Diane Saunders received the 2022 Royal Society Rosalind Franklin Award and Lecture. The award recognises Professor Saunders' long-term achievements in the field of plant pathology and will support activities to improve representation of women in STEM roles. This award will fund the development of the Rosalind Franklin Women in Wheat Champions programme that will promote the career development of women particularly in wheat research.

Professor Paul Nicholson received the British Society for Plant Pathology's RKS Wood prize in recognition of his contribution as a researcher and mentor.

Dr Philippa Borrill received the President's Medal from The Society of Experimental Biology (SEB). The awards honour outstanding early-career scientists and are presented at the SEB annual conference each year.

Stakeholder Engagement: Defra Precision Breeding (Gene Editing) Act

The Genetic Technology Act which passed into Law in March 2023 is highly relevant to the science of the JIC and will allow us to work more closely with farmers, crop breeders and food producers to deliver innovative improvements to crops to benefit our health and the environment. Over the past two years, JIC has worked closely with partners across the Norwich Research Park to engage and inform DEFRA, the Food Standards Agency and MPs, Lords and parliamentarians about genetic technologies.

This collaborative approach enabled us to provide evidence and advice to ensure evidence was provided and that scientists were involved at key points in the development of legislation.

Our scientists use gene editing to improve the crops we eat every day, including wheat, cabbage, tomatoes and pea. The new legislation will allow us to help UK farmers grow higher yielding, more resilient crops, and provide consumers with food that is healthier for them and the environment.

Technologies such as gene editing enable us to meaningfully tackle the complex challenges of climate change, food security and disease. The Precision Breeding Act allows our scientists to work more closely with food producers to address these complex issues, and at the same time capitalise on the UK's world-leading research expertise in these areas.

Culture Champions

To support our work embedding a positive research culture at the JIC, this year we launched a new trial initiative, the 'Culture Champions'. This small group of staff support positive behaviours at work, provide an independent point of contact when any concerns arise, can signpost to other initiatives and help and will offer support to help colleagues find a positive way forward.

How we interact with others plays a major role in creating a supportive and inspiring working environment. Sometimes we don't get it right and some well-timed feedback, seeing someone do it differently, or having a sounding board and help to raise concerns can make all the difference.

The Culture Champions help by supporting others, by being active bystanders and role models and by signposting others to find the support and guidance that they need. They are informal, confidential and independent points of contact for staff.

INSTITUTE ASSESSMENT EXERCISE

Every five years, BBSRC conducts an exercise to review the funding to its strategically funded institutes. The process is designed to ensure that the institutes deliver excellent, strategically relevant research and that BBSRC's investments provide value for money.

This review informs future funding decisions, enabling BBSRC to comply with government policy and provides accountability to wider stakeholders.

The 2022 Institute Assessment Exercise was designed to support the implementation of the BBSRC Institute Strategy. The ten overarching principles that frame this strategy address the institutes' unique national capability and strategic purpose; excellence in leadership and management; their role in training and developing a positive, inclusive and diverse research culture; and convening and catalysing, both nationally and internationally.

Three themes of Capability, Connectivity and Culture underpin the ten principles for strategic investment. A key part of the IAE submission was how JIC would address these principles and themes.

The IAE submission was scored on a scale of 1 to 6, and the JIC scores for each component of the assessment ranged from 4 – 6, which classified the institute as very good to exceptional.

Institute Strategic Programmes 2023-28

On the back of the successful IAE submission, JIC received funding for four strategic research programmes enabling research across plant and microbial science, from the unlocking of the remarkable and under-exploited biosynthetic capabilities of plants and microbes, through to the understanding and delivery of sustainable, resilient and robust high-yielding crops.

These five-year strategic research programmes allow us to continue our work to understand how we can support the transition to net-zero agriculture, improve public health and mitigate the effects of climate change on food security with our research into plants and microbes.

Through these programmes the JIC, our partners at the Norwich Research Park and from across the UK, can have a real-world impact on, with our world-leading research and innovation.

Our Institute Strategic Programmes are:

- **Advancing Plant Health (APH)** aims to deliver new solutions to promote beneficial interactions and disease/pest resistance in crops of both national and global significance and integrates research expertise from the JIC and The Sainsbury Laboratory.
- **Building Robustness in Crops (BRiC)** will deliver genetic diversity and knowledge, innovative technologies and training to allow sustainable production of robust high-yielding crops including oilseed rape, pea, cereals and Brassica vegetables to identify and overcome key challenges caused by our changing climate.
- **Delivering Sustainable Wheat (DSW)** aims to address critical challenges in wheat health, yield, and production in order to safeguard the future of this vital crop and brings together four research institutes – the JIC, Rothamsted Research, Quadram Institute, and Earlham Institute, plus the National Institute of Agricultural Botany, and the universities of Leeds, Nottingham, Lancaster, Bristol, and Imperial College London.
- **Harnessing Biosynthesis for Sustainable Food and Health (HBio)** will unlock the remarkable and under-exploited biosynthetic capabilities of plants and microbes to make valuable new molecules to address global challenges of food security and human health.

RECRUITMENT

Updates to the senior leadership team

Professor Graham Moore - Director

Following an international search, Professor Moore, a world-leading wheat researcher was appointed Director of the JIC in September 2022.

Graham is internationally known for his work on wheat, one of the most important global crops, and his research has provided a huge impact on cereal research.

He developed the concept of Cereal Synteny, for which he was awarded the Royal Society Darwin Medal. In 2018, he was awarded the Rank Prize for Nutrition for his contribution to research.

Mr Dave Foreman – Chief Operating Officer

Mr Foreman joined JIC as Chief Operating Officer in March 2023. As COO, he works closely with the JIC Director to ensure delivery of JIC's scientific vision.

Dave is responsible for leading, developing, and coordinating JIC's operational strategy and providing advice and guidance to ensure the development and smooth running of the institute.

Dave leads our Next Generation Infrastructure programme to deliver new cutting-edge, world-class facilities for the JIC and The Sainsbury Laboratory.

Dr Clare Stevenson – Head of Directorate

Dr Stevenson joined the leadership team in April 2022. The Head of Directorate acts as an interface between the Director and many aspects of day-to-day functioning of the institute by providing support, advice and strategic context.

Clare, a structural biologist, managed a technology platform at the JIC for many years and is proud to have had a technical career path that has led to senior management. She believes that the people at the JIC are our strength and is committed to developing and contributing to our diverse, inclusive and positive research culture where all contributions are recognised.

Fellowships

Dr Rebecca Devine has been awarded a BBSRC Discovery Fellowship to take forward her innovative research into finding the antibiotics of the future.

Dr Tung Le has been awarded a prestigious Lister Fellowship in recognition of his group's innovative research and its potential for antibiotic discovery.

KEY PERFORMANCE INDICATORS

JIC's key performance indicators are:

- submission levels and success rates for research grant proposals;
- publications in relevant scientific journals;
- recruitment and retention of high quality staff and students;
- annual research income vs. budget; and
- unrestricted reserves vs. budget.

Details of publications and recruitment in the year are provided in the Science Achievements and Recruitment sections.

Details of grant submissions, success rates, research income and reserves are provided in the Financial Review.

FUTURE PLANS

Key priorities

- Fully implement NGI governance arrangements including risk framework and Integrated Assurance and Approvals Plan.
- Finalise NGI Benefits Plan and refresh supporting Stakeholder Engagement Plan.
- Complete reviews of strategic science areas including Microbiology, Plant Pathogens and Beneficial Interactions, Discovery Science and Crop Science.
- Implement improvements to institute governance including simplifying internal committees, strengthening platforms and administrative support, reviewing commercialisation and refreshing EDI strategy.
- Agree a new site-wide Energy Strategy and action plan to deliver Net Zero Carbon by 2040

FINANCIAL REVIEW

Income

Total income for the year was £58.4m (2022: £52.9m). The increase in the year was due to additional BBSRC strategic and capital grant funding. Income excluding capital funds was £43.4m (£39.5m).

An analysis of grant income by principal sponsor is included in the notes to the financial statements. JIC's principal sponsor is the Biotechnology and Biological Sciences Research Council (BBSRC), which contributed 73% of total income (2022: 73%). Other major sources of funding were the European Union and charitable organisations.

During the year, JIC researchers submitted grant proposals with a sponsor value of £44.0m (2022: £38.2m) and were awarded grants with a value of £15.5m (2022: £12.7m). The success rate for grant awards in the year was 35% by value (2022: 33%).

Expenditure

Expenditure for the year amounted to £53.5m (2022: £45.9m restated). Staff costs accounted for £17.0m (32%) (2022: £17.1m; 37% restated) of expenditure.

Fundraising

JIC did not carry out any significant public fundraising activities in the year.

Net Movement in Reserves

JIC recorded a net decrease in unrestricted reserves of £1.3m (2022: decrease of £1.7m). Restricted reserves increased by £6.2m (2022: £8.8m restated) principally due to £14.9m of capital funding (2022: £13.4m).

Subsidiaries and Associated Parties

Subsidiary companies contributed an operating profit of £197k (2022: £88k loss), while JIC's share of associates' results was a loss of £304k (2022: profit of £261k). The share of associates' results in the year relates to JIC's 33% interest in Plant Bioscience Limited and 45% interest in Leaf Expression Systems Limited.

Capital expenditure

Capital expenditure in the year was £14.9m (2022: £10.5m). Investment has continued from the previous year in state-of-the-art scientific equipment, energy-efficient plant infrastructure, well-found laboratory equipment and enhanced plant growth facilities.

Cash

Group cash at 31 March 2023 was £37.7m (2022: £42.9m). JIC deposits its cash with UK registered financial institutions that meet its credit rating policy and subject to agreed counter-party limits. Investment income from cash deposits in the year was £629k (2022: £111k), up on last year due to higher deposit rates.

Reserves position

Total group reserves increased by £4.9m in the year to £104.4m (2022 restated: £7.1m to £99.5m).

Restricted reserves increased by £6.2m to £79.6m. Reserves of £10.8m relate to restricted designated capital reserves in connection with funding received from BBSRC to be used for future capital projects. Reserves of £0.1m relate to restricted designated general reserves in respect of ring-fenced strategic funding from BBSRC. The remaining £68.7m of restricted reserves relate to the value of fixed assets.

Unrestricted reserves decreased by £1.3m in the year to £24.9m (2022: decreased by £1.7m to £26.2m), principally due to lower BBSRC strategic grant funding. Reserves of £11.7m relate to unrestricted designated reserves for planned capital and strategic investments. The remaining unrestricted reserves include general reserves of £6.4m and fixed assets reserves of £6.8m.

Reserves policy

JIC's reserves are held to support financial solvency, manage uncertainty and fund future activities. The level of reserves required by JIC is therefore determined by reference to:

- Future operational and capital expenditure requirements in the March 2028 Business Plan;
- Potential financial risks identified in the Business Plan and Risk Register;
- Potential funding required for strategic investments not included in the Business Plan;
- Working capital / liquidity requirements.

Unrestricted reserves that have been designated by the Governing Council for specific purposes are shown in separate designated reserves. At March 2023, £11.7m of unrestricted reserves were designated for planned capital and strategic investments (2022: £12.1m).

General unrestricted reserves at March 2023 were £6.4m, above the minimum general reserves target of £6.0m set by the Governing Council.

Going Concern

The financial statements have been prepared on a going concern basis which the Trustees consider to be appropriate for the following reasons:

The Trustees have prepared cash flow forecasts for the period to March 2028 which indicate that, taking account of reasonable possible downsides and the potential impact of inflation on the operations and its financial resources, the Institute will have sufficient funds to meet its liabilities as they fall due for that period.

The Institute is reliant on its strategic programme funding from BBSRC, which was £13.2m in the year (2022: £13.2m). BBSRC has confirmed strategic funding of £14.6m for the year to March 2024 and in principle funding at this level for the 4 years to March 2028.

The Institute has prepared income, reserves and cash flow forecasts to March 2028. The forecasts indicate that the Institute will have significant cash headroom over the period, with cash balances of at least £30m for the 12 months from the signing date of this Annual Report.

Consequently, the Trustees are confident that the Institute will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have been prepared the financial statements on a going concern basis.

Change of Accounting Policy

The accounting policy for leasehold land and buildings has been reviewed and changed from valuation to historic cost less accumulated depreciation.

The leasehold land and buildings are of a specialist nature and are used by the Institute in its scientific and associated administrative activities, occupied principally through long leases on a peppercorn rent. During the year John Innes Centre secured UKRI Infrastructure Fund capital investment of £317.7m to develop a new world class research environment. The change in policy has been made because it is believed a cost model will provide more reliable and relevant information to the readers of the financial statements with this major change in the site and facilities.

Further information on the change, and its impact, is set out in note 21.

Change in Accounting Estimate

Following confirmation of UKRI funding for the Next Generation Infrastructure (NGI) programme, which will result in the replacement of a number of buildings in site, the useful lives of associated assets have been reviewed based upon the timetable.

The effect of the change has been incorporated in this accounting period (from the date of Outline Business Case approval). This has resulted in accelerating the annual depreciation charge on those assets, increasing depreciation in the current year by £2.2m.

STAKEHOLDER ENGAGEMENT – SECTION 172 STATEMENT

The Trustee Directors consider that the decisions they have made during the financial year have satisfied the requirements of s172(1) of the Companies Act 2006 and that they have acted in good faith to promote the success of JIC as a whole, and in doing so having regard to the stakeholders and matters outlined in s172(1).

The Governing Council has the ultimate responsibility for the strategy of JIC and delivery of its charitable objectives. The table below sets out JIC's most significant stakeholders, why they are considered important and how the Institute engages with them.

Stakeholders	Why they are important	How we engage with them
Our staff and students	<ul style="list-style-type: none"> ➤ We are committed to providing a supportive, inspirational and dynamic environment for our staff and students to meet future scientific and societal challenges. ➤ We value the diversity of our staff, and are committed to the creation of a positive environment which is fair, welcoming and inclusive and where everyone is treated with dignity and respect. ➤ We are committed to the development of all our staff and students and providing equal opportunities that encourage flexible working, career development and work-life balance. 	<ul style="list-style-type: none"> ➤ During the year, regular communications to employees have been provided on matters affecting them, including factors affecting the Charity's progress, and have been consulted on decisions that impact them. ➤ All groups of staff and students have representation on the Inclusivity & Diversity Committee that meets 4 times a year to ensure an inclusive research culture ➤ Students' progress is monitored on a regular basis and employees undertake an annual appraisal where their training needs, work-life balance and career development are discussed.
Our members	<ul style="list-style-type: none"> ➤ JIC's corporate members are UK Research and Innovation (UKRI); John Innes Foundation (JIF); and the University of East Anglia (UEA). Our members are key strategic partners that oversee our delivery against charitable objectives. 	<ul style="list-style-type: none"> ➤ The Members each nominate one Governing Council member and appoint one "observer" to attend Governing Council meetings, enabling them to participate in key decisions.
Norwich Research Park	<ul style="list-style-type: none"> ➤ JIC is one of 4 independent, world-class research institutes based at the Norwich Research Park. The Institutes work closely together to create a unique centre of excellence in plant and microbial sciences, big data science and genomics, and food and health. 	<ul style="list-style-type: none"> ➤ The Institute Directors of the 4 institutes meet regularly to discuss common strategic and operational matters. ➤ JIC, the other Institutes, UKRI, UEA, JIF and the N&NU Hospital Trust are members of Anglia Innovation Partnership LLP, an organisation established to promote collaborative solutions to global challenges in food and health.
UK Research and Innovation	<ul style="list-style-type: none"> ➤ JIC is strategically funded, along with 7 other institutes, by the Biotechnology and Biological Sciences Research Council (BBSRC), part of UKRI. BBSRC supports JIC via strategic 5-year funding programmes, competitively won project grants and capital funding for infrastructure and technology investments. 	<ul style="list-style-type: none"> ➤ UKRI nominates a Governing Council member and appoints an "observer" to attend Governing Council meetings. ➤ JIC holds regular meetings with BBSRC to review and progress of the Institute's mission and science programmes, including strategic and financial plans.
Research partners	<ul style="list-style-type: none"> ➤ JIC is an international centre of plant and microbial research. Our success is built on our collaborations and our international outlook. ➤ JIC is home to a range of state-of-the-art facilities and technology platforms to support scientists across the UK. 	<ul style="list-style-type: none"> ➤ An extensive programme of engagement with our new collaborative vision, Healthy Plants, Healthy People, Healthy Planet (HP3) is ongoing and involves discussion, input and views from stakeholders from industry, government and research partners, locally, nationally and internationally. JIC has strategic partnerships with research and academic institutions in the UK and worldwide, including Europe, China, Africa, Brazil and India.

Industry	<ul style="list-style-type: none"> ➤ JIC works closely with industry and the private sector to provide access to our capabilities, and to deliver sophisticated interdisciplinary research and product development at pace. 	<ul style="list-style-type: none"> ➤ JIC maintains a dialogue with industry, with regular consultations and knowledge exchange. ➤ JIC supports industry through collaborative and sponsored research and access to its facilities and platform services. JIC is proactive in identifying and responding to industry need. ➤ JIC protects its innovations and promotes their commercialisation and adoption by Industry. ➤ JIF nominates an industry representative as an “observer” to attend Governing Council meetings.
Community & the environment	<ul style="list-style-type: none"> ➤ Public views are at the heart of our research strategy and engaging with the public is an important part of our mission statement. 	<ul style="list-style-type: none"> ➤ JIC staff and students are trained in public engagement and communications and are supported to attend events, use digital media and to discuss and engage the public with our research. ➤ JIC hosts and attends community events – online, locally and nationally, to showcase, debate and discuss the nature of our research. ➤ JIC scientists are engaged in policy discussions at a national level surrounding the use of genetic technologies for crop improvement. ➤ JIC is investing heavily in more energy efficient facilities to reduce utilities consumption and waste.
Suppliers	<ul style="list-style-type: none"> ➤ JIC seeks to maintain and develop strong, open, collaborative relationships with our supply chain. 	<ul style="list-style-type: none"> ➤ JIC holds regular meetings with suppliers about purchasing relationships and ethical behaviours such as adherence to Modern Slavery principles.

RISK ASSESSMENT AND MANAGEMENT

Governing Council is responsible for ensuring there are effective and adequate risk management and internal control systems in place and confirm that the major risks to which the Institute is exposed have been reviewed and procedures established to manage those risks. The Audit Committee agrees an annual risk-based internal audit plan which covers major risks identified by management and Trustees. It receives reports from internal auditors on the effectiveness of internal controls, progress against the internal audit plan and progress on recommendations made in reports. Governing Council reviews a full risk report annually, including a 'heat map' tracking major risks. The Science and Impact Advisory Board (SIAB) assess the science quality and vision section of the risk register.

Principal risks and uncertainties

Risk area	Description of Risk	Management of Risk
BBSRC research funding	<ul style="list-style-type: none"> ➤ BBSRC strategic funding is reduced as a result of poor performance or public sector spending pressures. ➤ JIC is too reliant on BBSRC strategic and grant funding 	<ul style="list-style-type: none"> ➤ Regular monitoring of scientific performance, including consideration from the Science and Impact Advisory Board. ➤ Regular engagement with BBSRC to report performance and ensure strategic alignment of research programmes. ➤ Monitoring of performance of grant submissions. ➤ Funding opportunities for other research bodies and charities regularly communicated to Group Leaders. ➤ Philanthropic Fundraising strategy being developed to support NGI plus strategic research activity.
Science direction and quality	<ul style="list-style-type: none"> ➤ The focus of science programmes, or balance between discovery and translational science, does not meet funders' or stakeholders' expectations. ➤ JIC fails to deliver the world-leading science 	<ul style="list-style-type: none"> ➤ The Science Impact and Advisory Board, comprising independent international experts, regularly reviews the development of strategic programmes and JIC impact. ➤ The executive Research Committee reviews scientific areas of excellence and horizon scans to identify strategically important scientific areas and opportunities.
Staff retention and recruitment	<ul style="list-style-type: none"> ➤ JIC is unable to retain or attract suitably skilled staff to enable it to sustain its scientific performance. ➤ In addition to scientific impact, this risk area could also have an impact on the level of funding the institute is able to attract. 	<ul style="list-style-type: none"> ➤ Strategy and action plans in place, overseen by the JIC People & Culture Committee. ➤ Career development programmes in place to support high potential staff. ➤ Recruitment strategy and processes in place, including attractive support arrangements.
Cost pressures	<ul style="list-style-type: none"> ➤ Increased energy prices divert resources from science to infrastructure costs, resulting in a reduction in research activity and impact. ➤ High inflation increases research and support costs, resulting in a reduction in research activity and impact. 	<ul style="list-style-type: none"> ➤ Energy costs are hedged in the short-term and specialist advisers support the institute with energy procurement. ➤ Energy-saving opportunities are actively targeted and investment cases developed, aligned to net zero carbon strategic planning. ➤ The impact of cost inflation is regularly discussed with funders with a view to mitigating the impact on research.
Next Generation Infrastructure Programme	<ul style="list-style-type: none"> ➤ Cost pressures mean that the agreed scope cannot be delivered ➤ Insufficient additional funding raised ➤ Vision for NGI Hub not sufficiently defined or communicated ➤ Buildings design do not reflect future science requirements or Hub vision ➤ Building works significantly disrupt science activity during construction ➤ Project does not achieve Net Zero Carbon ambition 	<ul style="list-style-type: none"> ➤ Dedicated programme team recruited, supported by JIC staff and professional consultants ➤ Governance structure for programme implemented, led by Programme Board and supported by external assurance ➤ Workstreams established to define Hub vision, engage with external stakeholders and deliver business change ➤ Building design engagement groups established ➤ Strategy developed to deliver Net Zero Carbon ambition ➤ Fundraising plan being developed
Technology investment	<ul style="list-style-type: none"> ➤ JIC is unable to keep pace with developments in technology underpinning its science. 	<ul style="list-style-type: none"> ➤ 5-year investment plan developed. ➤ Funding opportunities identified and pursued for technology investments.
Major site incident	<ul style="list-style-type: none"> ➤ A major incident disrupts scientific research programmes or administrative systems. 	<ul style="list-style-type: none"> ➤ Business Continuity and Disaster recovery plans in place and tested periodically. ➤ Review of compliance with health & safety and relevant regulations from government agencies and internal auditors. ➤ Insurance arrangements in place.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisation and governance

JIC is incorporated in the England and Wales and is a company limited by guarantee (registered number 00511709) and a registered charity (number 223852). JIC is governed by its Memorandum and Articles of Association, adopted 27 September 2011.

Governing Council (Board of Trustees)

The Governing Council comprises of at least the Chair, three science and three non-science Trustees. The Trustees who served during the year and up to the date of signing these financial statements were as follows:

Members

The Members of JIC are:

- UK Research and Innovation - Biotechnology and Biological Sciences Research Council (BBSRC);
- John Innes Foundation (JIF); and
- University of East Anglia (UEA).

The Members have the right to nominate one governing council member and appoint one “observer” to attend meetings. Details of member appointments are shown in the table below. The Members are all guarantors of JIC, a company limited by guarantee and a registered charity, of an amount not exceeding £1, and for a year after resignation.

Trustees	Appointment status	Role	Changes during period
At date of Annual Report:			
Sir T Hughes-Hallett	Independent	Chair	-
Ms J K Midura	Independent	Non-science	-
Prof N J Talbot	Independent	Science	-
Mr J H Innes	Independent	Non-Science	-
Prof J P Armitage	BBSRC appointment	Science	-
Dr C A Caulcott	Independent	Science	Appointed 12 May 2022
Mr C Maw	Independent	Non-Science	Appointed 21 July 2022
Dr J D McCafferty	Independent	Non-Science	Appointed 11 May 2023
Prof M Searcey	UEA appointment	Science	Appointed 20 July 2023
<i>Served during the year:</i>			
Dr J Vincent	JIF appointment	Science	Resigned 20 July 2023
Dr D J Keith	Independent	Science	Resigned 11 May 2022
Mr R J Maskell	Independent	Non-Science	Resigned 21 July 2022
Prof J C Murrell	UEA appointment	Science	Resigned 11 May 2023

The Governing Council has the ultimate responsibility for the strategy of JIC. Strategy is developed under advice from the Science Impact and Advisory Board (SIAB) and the JIC Executive Group.

The Governing Council is supported by an Audit Committee to oversee financial management and risk and a Remuneration Committee to consider senior staff remuneration. The full Governing Council meets five times a year, the Audit Committee three times a year and the Remuneration Committee at least once a year and otherwise as required.

The Governing Council is also supported by a Science and Impact Advisory Board which comprises international experts in science and application of science, chaired in the year by Prof Judith Armitage. SIAB is responsible for providing strategic and scientific advice to the Director of JIC and the Governing Council on issues relevant to the JIC's Mission and Science Programme. This includes ensuring that the JIC Science Programme maximises JIC's potential for knowledge transfer, outreach and engagement with research users, stakeholders and the general public in

addition to helping in the identification and development of new scientific funding opportunities to support the development of the JIC Science Programmes.

Recruitment, induction and training of Trustees

Governing Council vacancies are advertised as necessary. The Institute will also approach individuals thought to have the right skills.

New Governing Council members are invited to spend time with members of the senior management team. This is a chance to learn about the Institute and identify opportunities to get more involved with JIC's work.

In addition to the five formal meetings, all Trustees receive regular presentations from JIC's scientists and briefings on key issues facing the organisation.

Trustee remuneration

None of the Trustees received any remuneration in the year in respect of their role as trustee directors.

Key Management Personnel

The Trustees delegate management of the day to day activities of the charitable company to the Director of the Institute, Prof Graham Moore, and the Executive Group.

Executive Group

JIC's Executive Group advises the Director at strategic and operational levels on major issues that affect the Institute with respect to research, appointments, new initiatives, business plan and infrastructure, particularly where such issues involve more than one of these areas.

Its membership is as follows:

- Director, Prof Graham Moore (Chair);
- Deputy Director, Prof Anne Osbourn;
- Chief Operating Officer, Mr Dave Foreman;
- Head of HR, Ms Anne O'Halleron;
- Chair of Faculty, Prof Tony Maxwell.

Executive Group is supported by a number of other executive committees and groups including: Research Committee; Scientific Resources Committee; People & Culture Committee; and Appointments Committee.

Employees

JIC is a dynamic, multinational community of about 400 scientists and post graduate students. JIC's reputation for scientific excellence is international and it attracts some of the best scientists and brightest students internationally. JIC is committed to the training of the next generation of scientists. Activities include an undergraduate summer school (jointly with The Sainsbury Laboratory and Earlham Institute) that gives students the unique opportunity to spend the summer on site. There are two different routes to a PhD: the prestigious rotation studentships and the NRP Doctoral Training Programme. We host Postdoctoral scientists and independent Fellows from around the world.

JIC staff that joined before 1 October 2011 were employed by BBSRC up to 1 October 2017, when they transferred employment to the Institute under TUPE.

Transferred employees retain their membership of the Research Councils Pension Scheme (RCPS), where applicable, with JIC becoming an admitted employer in the scheme. The RCPS is a defined benefit scheme funded from annual grant-in-aid on a pay-as-you-go basis. The RCPS Pension Scheme is a multi-employer scheme and JIC is unable to identify its share of the underlying assets and liabilities. JIC therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period. Liabilities for the payment of future benefits are the responsibility of the RCPS and accordingly are not included in these Financial Statements.

JIC has recruited all new staff from October 2011 on its own terms and conditions, covering basic pay and allowances, contractual payments, tax, NI, pension contributions and redundancy. Such staff are eligible to join a defined contribution scheme.

Equality and Diversity

It is the Charity's policy to provide equal opportunities to job applicants and employees of any race, nationality, ethnic origin, marital status, religion or belief, gender, disability, sexual orientation, age or employment status. The Charity does not condone or tolerate any form of discrimination in its recruitment or employment practices. All employees and applicants are treated on merit, fairly, with respect and dignity, recognised as individuals and valued for the contribution they make, provided fair and equal access to training, development, reward and progression opportunities and are accountable for the impact of their own behaviour and actions. All the Charity's policies follow these principles.

JIC is aware of its statutory duty to support the employment of disabled persons where possible, both in recruitment and by retention of employees who become disabled whilst in the employment of the charitable company, as well as generally through training and career development.

In 2017, JIC became the first research institute to be awarded a 'Gold' Athena SWAN award and this was successfully renewed for a further 5 years in 2023. The Athena SWAN charter recognises and celebrates good practice in recruiting, retaining and promoting women in science, technology, engineering, maths and medicine (STEMM) in higher education.

This award recognises JIC's culture that embraces the principles of flexibility that provide for family-friendly working practices, while at the same time demonstrating a commitment to career advancement for all employees.

JIC's ability to attract the best researchers and students internationally creates a vibrant, dynamic and intellectually nurturing environment for both training and scientific discovery and is a primary driver of our scientific effectiveness. JIC recognises the value of a diverse workforce and, although Athena SWAN is focused on gender equality, we believe that a fair and equitable working environment is key to both a productive workforce and delivery of JIC strategy, and that initiatives put in place to address gender inequality ultimately benefit all staff. JIC is a member of Stonewall Diversity champion programme.

During the year, regular communications to employees have been provided on matters affecting them, including factors affecting the Charity's progress, and they have been consulted on decisions affecting them.

RELATED PARTIES

Subsidiaries

JIC's subsidiaries in the year were as follows:

- John Innes Enterprises Limited (contract research);
- Norwich Biosciences Limited (intellectual property management);
- Norwich Research Limited (dormant);
- JIC NRP Capital Limited (dormant).

Associates

JIC's associates in the year were as follows:

- NBI Partnership Limited;
- Plant Bioscience Limited;
- Leaf Expression Systems Limited.

NBI Partnership Limited

JIC has a 25% interest in NBI Partnership Limited ("NBIP"). NBIP supplies support and administrative services to JIC and the three other research organisations based on the Norwich Research Park (Quadram Bioscience Institute, Earlham Institute and The Sainsbury Laboratory). NBIP fully recharges its costs to the four research organisations and accordingly it generates no profit or loss.

Plant Bioscience Limited

JIC owns one third of the share capital of Plant Bioscience Limited ("PBL"). PBL manages the intellectual property rights of the charitable company and other organisations.

Leaf Expression Systems Limited

JIC owns 45% of the voting share capital and at 31 March 2023 had invested £1,630k in non-voting share capital of Leaf Expression Systems Limited ("Leaf"). Leaf is a commercial research & development company specialising in the expression and production of proteins, metabolites and complex natural products. JIC had agreed to provide Leaf with a loan facility of £112,500, which was repaid during the year. The loan was provided on an arm's length basis with interest payable on the loan at a rate of 2.5% pa.

BBSRC

BBSRC is a member of the charitable company.

JIC is strategically funded, along with seven other institutes, by BBSRC. BBSRC supports JIC via strategic 5-year funding programmes, competitively won project grants and capital funding for infrastructure and technology investments.

BBSRC is part of UK Research and Innovation (UKRI), an organisation that brings together the UK's seven research councils.

John Innes Foundation

The John Innes Foundation ("JIF") is a member of the charitable company. JIC occupies land and buildings which are owned by JIF, with the principal research buildings leased at a peppercorn rent. In addition, JIF also sponsors the training of a number of students. Studentship grants in the year were £471k (2022: £436k). Further details are provided in note 24 to the financial statements.

University of East Anglia

University of East Anglia ("UEA") is a member of the charitable company. The majority of PhD students at JIC are registered with UEA.

Anglia Innovation Partnership LLP

JIC is a member of Anglia Innovation Partnership LLP through its 100% subsidiary, JIC NRP Capital Limited. Anglia Innovation Partnership LLP is responsible for the management and development of the Norwich Research Park (NRP) estate and for the furtherance of the NRP Enterprise Vision.

JIC is entitled to receive a share of certain profits generated by Anglia Innovation Partnership LLP, however it has no liability for losses or in the event of insolvency. Anglia Innovation Partnership LLP has not yet generated any realised profits.

ENERGY AND CARBON REPORTING

GHG emissions and energy use data	Units	2022/23	2021/22
Emissions from combustion of gas (Scope 1)	tCO ₂ e	9,414	9,565
Emissions from other sources i.e. refrigerants (Scope 1)	tCO ₂ e	87	-
Emissions from combustion of fuel for transport purposes (Scope 1)	tCO ₂ e	26	19
Emissions from purchase of electricity (Scope 2). Location based grid factors.	tCO ₂ e	1,299	1,558
Market based electricity Scope 2 emissions (renewable electricity contract)	tCO ₂ e	2,359	-
Emissions from generation of electricity that is consumed in a transmission and distribution system for which the company does not own or control (Scope 3)	tCO ₂ e	119	138
Emissions from business travel in rental cars or employee - owned vehicles where company is responsible for purchasing the fuel (Scope 3)	tCO ₂ e	3.4	2.6
Total gross CO₂e based on above	tCO₂e	10,948	11,282
Energy consumption used to calculate above emissions	kWh	58,416,079	59,643,430
Intensity Metric	m ² Building area	39,997	39,997
Intensity Ratio	tCO ₂ /m ² Building area	0.274	0.282

Methodology

JIC have followed the 2019 HM Government Environmental Reporting Guidelines. Emissions factors used are tonnes of CO₂ equivalent and data has been calculated using the 2022 UK Government's Conversion Factors for Company Reporting (DEFRA).

Scope 1 emissions relate to on-site gas usage, emissions from JIC owned vehicles and refrigerant emissions. Scope 2 emissions relate to on-site imported electricity usage. Scope 3 SECR emissions relate to grey fleet and electricity transmissions and distribution losses.

The primary source for calculating energy consumption are the supplier invoices. Where energy data is not in line with the financial year, a pro rata calculation has been used to estimate the usage for the remainder of the reporting period. Electricity is supplied to other companies on site; this electricity consumption is monitored using sub meter reads and deducted from the total site power usage to calculate JIC electricity consumption only.

JIC operate three CHP engines. The proportion of the JIC power and heat usage generated from the CHP's have been calculated. To be able to do this, the measured heat and power efficiencies of the engines have been used to estimate the fuel input associated to the energy outputs.

JIC have made a start on quantifying part of our Scope 3 emissions, however this is not fully representative of each category as yet. We have carried out initial calculations in 2022/23 reporting for parts of categories 5 -Waste generated in operations, Category 3 - Fuel

and energy related activities using the 2022 UK Government's Conversion Factors for Company Reporting (DEFRA). Category 1 Purchased Goods and Services and parts of Category 6 Business travel have been calculated on a spend based methodology, the emissions factors are sourced from the Exiobase EEIO database for GHG emissions in tCO₂e per EUR spent. Business travel mainly includes flights, rail and taxis, with limited hotel stay information. Remaining Category 6 emission factors have been sourced from the 2022 DEFRA factors.

Energy management

During the year, JIC have continued to focus on improving monitoring energy usage across the site, particularly in the following areas:

- Improved sub-metering to better understand energy usage across site and identify areas for improvement.
- Continued progress with LED roll out across site including to Controlled Environment Rooms.
- Implementation of a refrigerant replacement strategy for lower global warming alternatives.
- Review of chiller set points to improve efficiency.

JIC have focused on formulating a detailed carbon reduction strategy and pathway to Net Zero for 2050. The work has defined a starting point with a baselining exercise and then plans for our road to Net Zero, with a range of opportunities and potential strategies to reduce our Scope 1 and 2 carbon emissions over the next 30 years. JIC are now starting to get a better understanding of our Scope 3 emissions and focussing on data availability and materiality.

STATEMENT OF RESPONSIBILITIES OF THE TRUSTEES OF JOHN INNES CENTRE IN RESPECT OF THE TRUSTEES' ANNUAL REPORT AND THE FINANCIAL STATEMENTS

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law they have are required to prepare the group and parent company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charitable company and of the group's excess of income over expenditure for that period. In preparing each of the group and charitable company financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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; and
- assess the group's and the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the charitable company or to cease operations, or have no realistic alternative but to do so.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information

included on the charitable company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Insurance disclosure

The Institute maintains liability insurance for its Trustees, with an annual aggregate cover limit for all claims against them in that capacity. The Trustees have also been granted a qualifying third-party provision under section 233 of Companies Act 2006. Neither the Institute's indemnity nor insurance provides cover in the event of a trustee being proven to have acted fraudulently or dishonestly.

Public benefit

The Trustees are satisfied they have complied with their duty in section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charities Commission. Based on this guidance, and as described in this Trustees' report, the Trustees believe the activities of JIC to be charitable in nature.

Disclosure of information to auditor

The trustees confirm that:

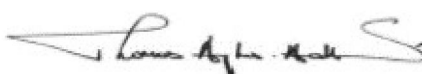
- so far as each trustee is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the trustees have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Independent auditor

Larking Gowen LLP have been appointed as auditors and a resolution has been passed by the Board, concerning their appointment as auditors.

Approval of the Trustees' report

The Trustees' Report and Strategic Report were approved by Governing Council on 19 October 2023.



Sir Thomas Hughes-Hallett, Chair

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE JOHN INNES CENTRE

Opinion

We have audited the financial statements of John Innes Centre (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise the Consolidated Statement of Financial Activities, Consolidated and Charitable Company Balances Sheets, Consolidated Statement of Cash Flows and Notes to the Accounts, 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 2023, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We 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 strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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 strategic report and the directors' report.

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

- adequate accounting records have not been kept 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.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 19, 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

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.

The extent to which the audit was considered capable of detecting irregularities including fraud

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

Due to the field in which the group operates, we identified the areas most likely to have a direct material impact on the financial statements as compliance with UK tax legislation, UK accounting standards, UK charity law and the Companies Act 2006. In addition, we considered the provisions of other laws and regulations which whilst not having a direct impact on the financial statements, are fundamental to the group's ability to operate including health and safety; employment law, and compliance with various other regulations relevant to the conduct of the group's operations.

Our approach to identifying and assessing the risk of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, included the following:

- Enquiries with management about any known or suspected instances of non-compliance with laws and regulations, accidents in the workplace, potential litigation or claims and fraud;
- Reviewing legal and professional fees to confirm matters where the group engaged lawyers during the year;
- Reviewing financial statement disclosures and tax matters, and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Reviewing board minutes and any relevant correspondence with external authorities;
- Challenging assumptions and judgements made by management in their significant accounting estimates, particularly in relation to the recognition of grant income and the valuation of leasehold land and buildings; and
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of any significant transactions outside the normal course of business.

Due to 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. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Anders Rasmussen (Senior Statutory Auditor)

for and on behalf of
Larking Gowen LLP

Chartered Accountants
Statutory Auditors
Norwich

3 November 2023

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2023

INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT

	Note	Unrestricted funds £000	Restricted general funds £000	Restricted capital funds £000	Total 2023 £000	Restated Total 2022 £000
Income						
<i>Income from charitable activities</i>						
Grant income		-	36,893	91	36,984	34,691
Capital and maintenance grants		-	831	14,093	14,924	13,420
Other charitable income		828	-	-	828	705
<i>Income from other trading activities</i>						
Trading income		928	-	-	928	491
Rental income		255	-	-	255	141
<i>Investment income</i>		636	-	-	636	118
<i>Share of operating result of associates</i>	12	-	-	-	-	261
<i>Other income</i>		3,871	-	-	3,871	3,121
Total income	2	6,518	37,724	14,184	58,426	52,948
Expenditure						
Charitable activities	3	(5,335)	(38,345)	(8,039)	(51,719)	(44,700)
Raising funds	3	(439)	-	-	(439)	(370)
Trading expenditure	3	(692)	-	-	(692)	(579)
Other resources expended	3	(344)	-	-	(344)	(245)
<i>Share of operating result of associates</i>	12	(304)	-	-	(304)	-
Total expenditure		(7,114)	(38,345)	(8,039)	(53,498)	(45,894)
Net income/(expenditure) for the year		(596)	(621)	6,145	4,928	7,054
<i>Transfers and revaluation</i>						
Capital transfers	20	(912)	-	912	-	-
Other transfers	20	193	(65)	(128)	-	-
Net movement in funds for the year		(1,315)	(686)	6,929	4,928	7,054
Total funds brought forward as previously stated		26,168	794	108,648	135,610	118,782
Prior year adjustment	21	-	-	(36,100)	(36,100)	(26,326)
Funds brought forward as restated		26,168	794	72,548	99,510	92,456
Net movement in funds for the year		(1,315)	(686)	6,929	4,928	7,054
Funds carried forward	20	24,853	108	79,477	104,438	99,510

The Consolidated Statement of Financial Activities ("SoFA") includes all gains and losses recognised in the year. All income and expenditure relates to continuing activities.

The notes on pages 26 to 42 form part of these financial statements.

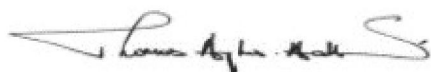
CONSOLIDATED AND CHARITABLE COMPANY BALANCE SHEETS

AS AT 31 MARCH 2023

		Group 2023	Restated Group 2022	Company 2023	Restated Company 2022
	Note	£000	£000	£000	£000
<i>Fixed assets</i>					
Tangible assets	10	73,815	66,983	73,815	66,983
Intangible assets	11	-	-	-	-
Investments	12	-	-	1	1
<i>Investments in associates</i>					
Share of total assets		1,903	2,590	-	-
Share of total liabilities		(296)	(679)	-	-
	12	1,607	1,911	-	-
Total fixed assets		75,422	68,894	73,816	66,984
<i>Current assets</i>					
Stocks	13	340	283	340	283
Debtors	14	12,201	13,281	12,067	13,224
Cash at bank and in hand	15	37,668	42,948	37,444	42,768
		50,209	56,512	49,851	56,275
<i>Current liabilities</i>					
Creditors: amounts falling due within one year	16	(21,193)	(25,612)	(21,096)	(25,495)
Total net current assets		29,016	30,900	28,755	30,780
Total assets less current liabilities		104,438	99,794	102,571	97,764
Provisions for liabilities and charges	18	-	(284)	-	(284)
Total net assets	19	104,438	99,510	102,571	97,480
The funds of the charity					
<i>Unrestricted funds</i>					
Fixed assets reserve	20	6,770	7,663	5,163	5,752
Designated reserves	20	11,705	12,118	11,705	12,118
General reserve	20	6,378	6,387	6,117	6,267
Total unrestricted funds		24,853	26,168	22,985	24,137
<i>Restricted funds</i>					
General reserve	20	108	794	108	794
Fixed assets reserve	20	68,652	61,231	68,653	61,232
Designated reserves	20	10,825	11,317	10,825	11,317
Total restricted funds		79,585	73,342	79,586	73,343
Total funds	20	104,438	99,510	102,571	97,480

A separate income and expenditure account has not been presented for JIC as this is exempted by Section 408 of the Companies Act 2006. The surplus after tax of JIC was £5,091k (2022: £6,674k).

The financial statements on pages 26 to 42 were approved by the Governing Council on 19 October 2023 and were signed on its behalf by:



Sir Thomas Hughes-Hallett, Chair

Company registration number: 00511709

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

	Total 2023 £000	Restated Total 2022 £000
Cash flows from operating activities		
Net movement in funds for the year	4,928	7,054
Share of operating result of associates	304	(261)
Net income/(expenditure) for the year	5,232	6,793
Interest receivable	(636)	(118)
Depreciation and amortisation	8,039	4,799
Capital grants receivable	(14,184)	(12,184)
Loss on disposal of tangible assets	8	175
Increase in stocks	(57)	(25)
Decrease in debtors	1,080	4,157
Decrease in creditors	(4,419)	(7,801)
Decrease in provisions	(284)	-
Net cash used in operating activities	(5,221)	(4,204)
Cash flows from investing activities:		
Interest received	636	118
Purchase of tangible assets	(14,879)	(10,458)
Capital grants received	14,184	12,184
Proceeds from sale of tangible assets	-	93
Net cash (used in) / provided by investing activities	(59)	1,937
Change in cash and cash equivalents in the reporting period	(5,280)	(2,267)
Cash and cash equivalents at the beginning of the period	42,948	45,215
Total cash and cash equivalents at the end of the year	37,668	42,948

The movement in net debt for the current and prior year is identical to the movements in cash flow set out above.

The notes on pages 26 to 42 form part of these financial statements.

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

a) Basis of preparation

The group financial statements have been prepared under the historical cost convention and applicable accounting standards. They have also been prepared in accordance with 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 (FRS102)– (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

The principal accounting policies adopted in these financial statements, which have been consistently applied, are as follows:

b) Basis of consolidation

The consolidated financial statements incorporate the financial statements of JIC and all its subsidiary undertakings in accordance with Financial Reporting Standard (“FRS”) 102 “Accounting for Subsidiary Undertakings”, and associated entities which are accounted for using the equity method.

Associates are entities over which JIC has significant influence but not control. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise JIC’s share of the profit or loss of the associate after the date of acquisition. JIC’s share of post-acquisition operating result is recognised in the statement of financial activities. Determination is made at each balance sheet date whether there is any evidence that the investment in the associate is impaired. If this is the case, the amount of impairment is calculated as the difference between the recoverable amount of the associate and its carrying value, and this amount is recognised adjacent to share of operating result of associates in the statement of financial activities.

JIC is one of four members of NBI Partnership Limited (“NBIP”). The group accounts for NBIP as an associate, although in practice the company makes no profit or loss and has net assets of NIL, therefore has no impact on the Group financial statements.

The financial statements of all group undertakings and associates are made up to 31 March 2023.

A separate income and expenditure account has not been presented for JIC as this is exempted by Section 408 of the Companies Act 2006. The surplus of JIC was £5,091k (2022 restated: £6,674k).

c) Going concern

The Trustees have prepared cash flow forecasts for the period to March 2028 which indicate that, taking account of reasonable possible downsides and the potential impact of inflation on the operations and its financial resources, the Institute will have sufficient funds to meet its liabilities as they fall due for that period.

The Institute is reliant on its strategic programme funding from BBSRC, which was £13.2m in the year (2022: £13.2m). BBSRC has confirmed strategic funding of £14.6m for the year to March 2024 and the Institute expects its strategic programme funding to continue at this level for the 4 years to March 2028.

The Institute has prepared income, reserves and cash flow forecasts to March 2028. The forecasts indicate that the Institute will have significant cash headroom over the period, with cash balances of at least £30m for the 12 months from the signing date of this Annual Report.

Consequently, the Trustees are confident that the Institute will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have been prepared the financial statements on a going concern basis.

d) Income

Charitable grant income represents grants received and receivable in the year from outside granting bodies.

Grants that provide core funding are recognised in the year in which entitlement passes. Grant funding received to train students and undertake research, is recognised in the year in which the obligation is fulfilled. Grant funding is released to match expenditure incurred during the year together with any related contributions towards overhead costs.

Other charitable income represents non-grant revenue from providing scientific research services to other academic institutions and other services. Revenue is recognised in the year in which the obligation is fulfilled.

Trading income, which includes rent, other letting income and other income, relates to the non-charitable services undertaken by Norwich Biosciences Limited and John Innes Enterprises Limited, subsidiary companies of JIC, and is recognised in accordance with the terms of the contracts entered into, reflecting the point at which the obligations of the companies have been satisfied.

Investment income relates to interest receivable from treasury deposits and related party loans. The interest is recognised in the year in which it is earned.

Other income includes site infrastructure charges, UEA tuition fee income and miscellaneous income. Revenue is recognised in the year in which the obligation is fulfilled.

Capital grants are recognised when entitlement passes, which is typically on receipt. Where capital funding includes terms and conditions that must be met before there is unconditional entitlement, the grant income is recognised as those conditions are met, which usually results in capital funding being recognised to match the capital costs incurred.

e) Expenditure

Charitable activity expenditure represents the full cost of the research performed. It includes the cost of direct staff, consumable stocks and indirect costs apportioned on the basis of use.

Raising funds represents the cost of obtaining funds for research. The cost of obtaining funds includes an estimate of the time/salary cost of project leaders preparing and reviewing grant application forms.

Governance costs represent the necessary cost of compliance with statutory and constitutional requirements and any other costs which are not direct charitable expenditure.

Support costs have been allocated to charitable activity expenditure, costs of generating funds and governance costs based upon activity or headcount as indicated in note 4 to the financial statements.

Other expenditure relates to expenditure maintaining capital assets that does not meet the capitalisation policy.

Trading expenditure relates to the costs of undertaking the non-charitable services performed by subsidiary companies of JIC and is recognised in the period in which it is incurred.

f) Restricted funds

Where research at JIC is funded by grants with conditions attached to them, these are shown as restricted. Capital grants received and receivable together with other restricted funds received and receivable and used to purchase tangible assets are included within restricted funds.

From April 2018 the strategic programme grants from the UK Research and Innovation - Biotechnology and Biological Sciences Research Council ("BBSRC") are shown as restricted.

A restricted fixed assets reserve has been established representing the net book value of fixed assets purchased from capital grants.

Restricted reserves include a designated capital reserve of £10,825k (2022: £11,317k) in connection with funding received from BBSRC, which is to be used on future capital projects to be agreed with BBSRC.

g) Unrestricted funds

Research grants that do not contain conditions for the final receipt of funds have been treated as unrestricted. Funds received for non-specified purposes have also been included as unrestricted.

A fixed assets reserve has been established within unrestricted reserves representing the net book value of fixed assets funded from unrestricted reserves.

Unrestricted reserves that have been designated by the Governing Council for specific purposes are shown in separate designated reserves.

h) Capital transfers

A transfer from unrestricted to restricted reserves equal to the depreciation charge for assets purchased from unrestricted reserves is made as a capital transfer.

i) Other Transfers

A transfer from restricted to unrestricted reserves is made following the completion of performance conditions in connection with restricted non-capital grant activity.

j) Designated capital transfers

A transfer from the unrestricted general reserve to the unrestricted designated reserve is made in relation to the expenditure which had been designated by Governing Council for use in the financial projections to March 2028.

k) Centre funded capital

Capital expenditure funded from unrestricted reserves is shown as a transfer from the unrestricted designated capital reserve or general reserve to the unrestricted fixed asset reserve.

l) Tangible assets and depreciation

Tangible assets are shown at cost less accumulated depreciation. The cost of tangible assets is their purchase cost, together with any incidental costs of acquisition. Depreciation is calculated using the straight line method to write off the cost or valuation of assets, less any estimated residual value, over their estimated useful lives at the following rates:

Leasehold land and buildings – over lease term or useful life, if shorter;

Freehold land – not depreciated;

Freehold buildings – estimated economic life;

Plant, machinery and equipment – estimated economic life;

Scientific equipment – 5 to 15 years straight line;

Computer equipment – 3 to 5 years straight line;

Motor vehicles – 4 years straight line;

Combined heat and power scheme – 20 years straight line.

The leasehold buildings have been depreciated over their estimated economic life. The Trustees have determined that land is not subject to depreciation. Assets in the course of construction are not depreciated until the asset is in full use.

JIC includes in its financial statements leasehold land and buildings owned by third parties, which it occupies and enjoys through extended peppercorn leases, at their fair value. The Trustees consider that in substance, the risks and rewards of ownership of the assets have passed to the Institute, and as such follow a policy of recognising the assets on the balance sheet that reflects its continuing occupancy of these assets for the foreseeable future.

As a result of the proposed redevelopment outlined in the NGI programme, the useful lives of associated assets have been reviewed based upon the timetable.

m) Intangible fixed assets and amortisation

Computer Software development costs are recognised as intangible fixed assets at cost less amortisation and any provision for impairment. Intangible assets are amortised over the estimated life of the asset acquired less any residual value.

Amortisation is calculated to write off the cost or valuation less the estimated residual value of intangible assets by equal instalments over their estimated useful economic lives as follows:

Computer Software – 3 to 5 years straight line

Intangible assets under construction are not amortised until the asset is in full use.

n) Fixed asset investments

The consolidated balance sheet includes the group's share of each associate's gross assets and liabilities. The share of each associate's net income is reported in JIC's consolidated statement of financial activities.

o) Stocks

Stocks are stated at the lower of cost and net realisable value. Provision is made, where necessary, for slow moving or obsolete stock.

p) Debtors

Debtors are non-interest bearing and are stated at their nominal value, as reduced by appropriate allowances for estimated irrecoverable amounts.

A loan of £113k provided to Leaf Expression Systems Limited was repaid during the year. The loan was provided on an arm's length basis with interest payable at a rate of 2.5% pa.

q) Cash balances held as grant co-ordinator

Cash balances held in the charitable company's capacity as grant co-ordinator are included within cash on the charitable company's balance sheet, and are disclosed in note 25 to the financial statements.

r) Trade creditors

Trade creditors are non-interest bearing and are stated at their nominal value.

s) Loans

Loans are stated on the balance sheet at amortised cost.

t) Provisions

A provision is recognised in the financial statements where there is a legal or constructive obligation to transfer economic benefit to a third party.

u) Staff and Pensions

JIC staff that joined before 1 October 2011 were employed by BBSRC up to 1 October 2017, when they transferred employment to the Institute under TUPE.

Transferred employees retain their membership of the Research Councils Pension Scheme (RCPS), where applicable, with JIC becoming an admitted employer in the scheme. The RCPS is a defined benefit scheme funded from annual grant-in-aid on a pay-as-you-go basis. The RCPS Pension Scheme is a multi-employer scheme and JIC is unable to identify its share of the underlying assets and liabilities. JIC therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period. Liabilities for the payment of future benefits are the responsibility of the RCPS and accordingly are not included in these Financial Statements.

JIC has recruited all new staff from October 2011 on its own terms and conditions, covering basic pay and allowances, contractual payments, tax, NI, and liabilities for pension contributions and redundancy. Such staff are eligible to join a defined contribution scheme.

v) Termination benefits

Redundancy payments are recognised as a liability and an expense only when the event is demonstrably committed to by either: a. termination of the employment of an employee or group of employees before the normal retirement date, or b. provision of termination benefits as a result of an offer made in order to encourage voluntary redundancy.

w) Operating leases

Rental costs are charged to the statement of financial activities on a straight-line basis over the life of the lease.

x) Foreign currency transactions

The functional and reporting currency is pounds sterling. Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. Assets and liabilities denominated in foreign currencies are translated at year end exchange rates. All gains and losses are taken to the statement of financial activities in the year to which they relate.

y) Financial instruments

Financial assets and financial liabilities are recognised upon becoming a party to the contractual provisions of the instrument.

The group only enters into basic financial instrument transactions that result in financial assets and liabilities such as trade and other accounts receivable and payable.

z) Judgements in applying accounting policies and key sources of estimation

Preparation of the financial statements require management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

- Depreciation, which has been charged in line with the accounting policy above. The amount of depreciation charged and net book value of the assets is included in Note 10.

NOTES TO THE ACCOUNTS

2. ANALYSIS OF INCOMING RESOURCES

	Research activities	Student activities	Other activities	Total 2023	Research activities	Student activities	Other activities	Total 2022
	£000	£000	£000	£000	£000	£000	£000	£000
Grant income								
BBSRC	25,068	2,953	-	28,021	21,445	3,708	-	25,153
Other government departments	1,326	-	-	1,326	1,515	34	-	1,549
European Union	2,540	53	-	2,593	3,002	60	-	3,062
Industrial partners	224	11	-	235	943	84	-	1,027
John Innes Foundation	256	451	-	707	142	436	-	578
Other charities	2,625	211	-	2,836	2,343	142	-	2,485
Universities	-	47	-	47	27	76	-	103
Other grants	1,219	-	-	1,219	698	36	-	734
Total grant income	33,258	3,726	-	36,984	30,115	4,576	-	34,691
Capital and maintenance grants								
BBSRC								
Capital expenditure	14,917	-	-	14,917	13,287	-	-	13,287
John Innes Foundation								
Capital expenditure	7	-	-	7	133	-	-	133
Total capital grants	14,924	-	-	14,924	13,420	-	-	13,420
Other charitable income								
Scientific services	-	-	686	686	-	-	633	633
Miscellaneous income	-	-	142	142	-	-	72	72
Total other charitable income	-	-	828	828	-	-	705	705
Trading income								
John Innes Enterprises Limited	-	-	916	916	-	-	464	464
Norwich Biosciences Limited	-	-	12	12	-	-	27	27
Total trading income	-	-	928	928	-	-	491	491
Rental income								
Conferencing Facilities	-	-	186	186	-	-	64	64
Hill House	-	-	69	69	-	-	77	77
Total rental income	-	-	255	255	-	-	141	141
Investment income								
Interest receivable on cash deposits	-	-	629	629	-	-	111	111
Interest receivable on loan to related party	-	-	7	7	-	-	7	7
Total investment income	-	-	636	636	-	-	118	118
Income from investment in associates	-	-	-	-	-	-	261	261
Total associates income	-	-	-	-	-	-	261	261
Other generated income								
Site infrastructure recharges	-	-	2,005	2,005	-	-	1,520	1,520
Other	-	-	1,866	1,866	-	-	1,601	1,601
Total other generated income	-	-	3,871	3,871	-	-	3,121	3,121
Total income	48,182	3,726	6,518	58,426	43,535	4,576	4,837	52,948

JIC's activities consist principally of scientific research in the United Kingdom.

- Of grant income totalling £36,984k (2022: £34,691k), £36,893k (2022: £34,691k) is restricted general funds and £91k (2022: £nil) is restricted capital funds.
- Of capital grants totalling £14,924k (2022: £13,420k), £831k (2022: £1,236k) is restricted general funds and £14,093k (2022: £12,184k) is restricted capital funds.
- Other charitable income of £828k (2022: £705k) is all unrestricted funds.
- In both periods all trading and investment income is unrestricted funds.

NOTES TO THE ACCOUNTS

3. ANALYSIS OF RESOURCES EXPENDED

		Research activities	Student activities	Other activities	Total 2023	Research activities	Student activities	Other activities	Restated Total 2022
	Note	£000	£000	£000	£000	£000	£000	£000	£000
Direct charitable expenditure:									
Staff costs		13,116	-	-	13,116	13,639	-	-	13,639
Direct costs		12,580	4,196	-	16,776	11,719	3,764	-	15,483
Depreciation and impairment		8,039	-	-	8,039	4,799	-	-	4,799
Governance costs	4	-	-	105	105	-	-	107	107
Support costs	4	10,750	2,933	-	13,683	8,128	2,544	-	10,672
Expenditure on charitable activities		44,485	7,129	105	51,719	38,285	6,308	107	44,700
Raising funds	4	-	-	439	439	-	-	370	370
Trading expenditure		-	-	692	692	-	-	579	579
Other resources expended		-	-	344	344	-	-	245	245
Share of operating result of associates		-	-	304	304	-	-	-	-
Total expenditure		44,485	7,129	1,884	53,498	38,285	6,308	1,301	45,894

Included within expenditure is restricted general expenditure of £38,345k (2022: £36,532k) and restricted capital resources expended (depreciation) of £8,039k (2022: £4,799k). All other expenditure is unrestricted.

Analysis of governance costs	Total 2023 £000	Total 2022 £000
Staff costs	46	35
Travel costs	12	2
Other costs	47	70
Total governance costs	105	107

4. ALLOCATION OF SUPPORT COSTS, GOVERNANCE AND RAISING FUNDS

	Research activities	Student activities	Raising funds	Governance costs	Total 2023	Basis of Allocation
	£000	£000	£000	£000	£000	
Governing Council and SIAB	-	-	-	60	60	Headcount
Lab management	425	116	-	-	541	Headcount
Institute management	337	92	-	-	429	Headcount
Scientific services	365	100	-	-	465	Headcount
Facilities management and utilities*	7,602	2,074	-	-	9,676	Headcount
Finance and Purchasing*	538	147	-	-	685	Headcount
Computing and Library*	635	173	-	-	808	Headcount
Human Resources*	267	73	-	-	340	Headcount
Contracts services*	-	-	314	-	314	Activity
Other support services	581	158	125	45	909	Activity
Total support costs	10,750	2,933	439	105	14,227	

	Research activities	Student activities	Raising funds	Governance costs	Total 2022	Basis of Allocation
	£000	£000	£000	£000	£000	
Governing Council and SIAB	-	-	-	68	68	Headcount
Lab management	393	123	-	-	516	Headcount
Institute management	382	120	-	-	502	Headcount
Scientific services	93	29	-	-	122	Headcount
Facilities management and utilities*	5,469	1,711	-	-	7,180	Headcount
Finance and Purchasing*	504	158	-	-	662	Headcount
Computing and Library*	567	178	-	-	745	Headcount
Human Resources*	262	82	-	-	344	Headcount
Contracts services*	-	-	277	-	277	Activity
Other support services	458	143	93	39	733	Activity
Total support costs	8,128	2,544	370	107	11,149	

* Includes services supplied by NBI Partnership Limited (see note 23). Scientific services costs are shown net of recharges to science projects.

NOTES TO THE ACCOUNTS

5. TAXATION

John Innes Centre ("JIC") is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK Corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The trading activities of the subsidiary companies are subject to corporation tax; however profits in the year are gifted to the charitable company resulting in a £nil (2022: £nil) tax charge payable.

Unutilised losses of £79k (2022: £79k) have been carried forward within the subsidiary companies for offset against future taxable profits. A deferred tax asset has not been recognised due to uncertainty over utilisation of these losses.

6. OPERATING SURPLUS

Operating surplus is stated after charging/(crediting):

	Total 2023 £000	Restated Total 2022 £000
Audit services:		
Fees payable to the charitable company's auditors for the audit of charitable company and consolidated financial statements	31	29
Fees payable for the audit of the charitable company's subsidiaries pursuant to legislation	1	1
Depreciation and amortisation	8,039	4,799
Loss on disposal of tangible assets	8	175
Hire of plant and equipment	63	65
Rent of land and buildings	41	33
(Profit) on foreign exchange translations	(120)	(18)

7. NET INCOME FROM TRADING ACTIVITIES OF SUBSIDIARIES

Profit and loss account	John Innes Enterprises Limited £000	Norwich Biosciences Limited £000	Total 2023 £000	John Innes Enterprises Limited £000	Norwich Biosciences Limited £000	Total 2022 £000
Turnover	916	12	928	464	27	491
Cost of sales	(731)	-	(731)	(579)	-	(579)
Gross profit/(loss)	185	12	197	(115)	27	(88)
Administrative expenses	-	-	-	-	-	-
Operating profit/(loss)	185	12	197	(115)	27	(88)
Interest received	-	-	-	-	-	-
Operating profit/(loss) retained in subsidiary	185	12	197	(115)	27	(88)
Net assets at 31 March	258	-	258	73	44	117

In addition to the above, £55,828 (2022: £29,155) in Gift Aid was paid to the charitable company in the year.

NOTES TO THE ACCOUNTS

8. REMUNERATION OF MEMBERS OF THE GOVERNING COUNCIL

None of the members of the Governing Council received any remuneration from the group during the current or prior year for their duties as Trustees.

Attendance expenses incurred by 6 (2022: 2) Trustees whilst carrying out their duties amounted to £2,913 during the year (2022: £573).

9. EMPLOYEE INFORMATION

The monthly average number of persons employed by or deployed to the group and charitable company during the year, analysed by category, was as follows:

Group and charitable company	2023 Number	2022 Number
Scientific	328	347
Office management and services	35	31
Total	363	378

The aggregate payroll costs of these persons were:

Group and charitable company	2023 £000	2022 £000
	Note	
Wages and salaries	13,664	13,702
Redundancy costs	11	43
Social security costs	1,463	1,393
Other pension costs	23 1,894	2,007
Total	17,032	17,145

An analysis of the number of staff who fall within staff cost bands (excluding pension cost) from £60k upwards is provided below:

Group and charitable company	2023 Number	2022 Number
£60,000 - £69,999	20	16
£70,000 - £79,999	11	7
£80,000 - £89,999	4	9
£90,000 - £99,999	7	7
£100,000 - £109,999	5	2
£110,000 - £119,999	2	3
£120,000 - £129,999	-	1
£130,000 - £139,999	1	-
£140,000 - £149,999	1	1
£150,000 - £159,999	1	1
£160,000 - £169,999	1	1
£170,000 - £179,999	1	-
£220,000 - £229,999	1	-
Total	55	49

The number of staff with emoluments greater than £60k who were also members of the Research Councils' Pension Schemes was twenty-five (2022: twenty-four). Eighteen staff (2022: Eighteen) with emoluments greater than £60k are members of a defined contribution pension scheme.

Staff that joined prior to 1 October 2011 were employed by BBSRC up to 1 October 2017, when these employees' transferred employment to the Institute under TUPE. Transferred employees retain their membership of the Research Councils Pension Scheme, where applicable, with JIC becoming an admitted employer in the scheme. Staff that joined after 1 October 2011 are employed under JIC terms & conditions.

The key management personnel of the parent charity, JIC, comprise of the Trustees and the members of the Executive Group.

The key management personnel of the group comprise those of the charity and the key management personnel of the wholly owned subsidiaries, John Innes Enterprises Ltd, Norwich Biosciences Ltd, Norwich Research Ltd and JIC NRP Capital Ltd. All the subsidiaries key management personnel are the same as the parent company. No staff costs were recharged in respect of this. The employee costs (salaries, social security costs and pension costs) of the key management personnel for the group and charitable company were £1,541,403 (2022: £1,625,335).

NOTES TO THE ACCOUNTS

10. TANGIBLE ASSETS

Group & Company	Note	Freehold land and buildings £000	Long leasehold land and buildings £000	Plant, machinery and equipment £000	Assets under construction £000	Restated Total £000
Cost/Valuation						
Brought forward as previously stated		3,771	72,318	52,972	2,371	131,432
Prior year adjustment	21	-	(4,822)	-	-	(4,822)
Restated at 1 April 2022		3,771	67,496	52,972	2,371	126,610
Transfers		49	118	1,989	(2,156)	-
Additions		-	418	7,499	6,962	14,879
Disposals		-	-	(797)	(8)	(805)
At 31 March 2023		3,820	68,032	61,663	7,169	140,684
Accumulated Depreciation						
Brought forward as previously stated		824	-	27,525	-	28,349
Prior year adjustment	21	-	31,278	-	-	31,278
Restated at 1 April 2022		824	31,278	27,525	-	59,627
Charge for the year		5	2,622	5,412	-	8,039
Disposals		-	-	(797)	-	(797)
At 31 March 2023		829	33,900	32,140	-	66,869
Net book value at 31 March 2023		2,991	34,132	29,523	7,169	73,815
Restated net book value at 31 March 2022		2,947	36,218	25,447	2,371	66,983

Assets under construction represent capital items which are not yet in full economic use.

JIC includes in its financial statements land and buildings owned by third parties, which it occupies and enjoys through extended peppercorn leases, at their full value. The Trustees consider that in substance, the risks and rewards of ownership of the assets have passed to the Institute, and as such a policy of recognising the assets on the balance sheet reflects its continuing occupancy of these assets for the foreseeable future.

All of the charitable company's assets at 31 March 2023 are used for direct charitable purposes.

The depreciation charge for the year includes an additional £2.2m, resulting from the acceleration of depreciation on assets affected by the NGI programme of redevelopment.

NOTES TO THE ACCOUNTS

11. INTANGIBLE ASSETS

Group and Charitable company	Software development £000	Total £000
Cost		
At 1 April 2022	147	147
Additions	-	-
At 31 March 2023	147	147
Accumulated Depreciation		
At 1 April 2022	147	147
Charge for the year	-	-
At 31 March 2023	147	147
Net book value at 31 March 2023	-	-
Net book value at 31 March 2022	-	-

12. INVESTMENTS

Subsidiaries

The following are the operating subsidiary undertakings in which the charitable company has an interest:

Subsidiary Undertaking	Registration number	Country of registration	Principal activity	Class and percentage of shares held
John Innes Enterprises Limited	02549904	England	Contract research	100% ordinary shares
Norwich Biosciences Limited	03076575	England	Management of intellectual property	100% ordinary shares
Norwich Research Limited	02814101	England	Dormant	100% ordinary shares
JIC NRP Capital Limited	06145922	England	Member of Anglia Innovation Partnership LLP	100% ordinary shares

The registered address for all the subsidiaries is John Innes Centre, Norwich Research Park, Colney, Norwich, NR4 7UH.

The charitable company's investment in subsidiary undertakings at cost amounts to £1,248 (2022: £1,248) and accumulated impairment of £244 (2022: £244) has been recognised against cost.

JIC NRP Capital Limited is a member of Anglia Innovation Partnership LLP (formerly Norwich Research Partners LLP), which is responsible for the management and development of the Norwich Research Park (NRP) estate and for the furtherance of the NRP Enterprise Vision. The company did not trade during the year.

The net income from trading activities of the subsidiaries during the year is shown in note 7.

Associates

The charitable company has an investment in Plant Bioscience Limited ("PBL"), a company registered in England and Wales, representing 33% (2022: 33%) of the ordinary £1 issued share capital. Plant Bioscience Limited manages the intellectual property rights of the charitable company and other organisations. This company is deemed to be an associate of the group and has therefore been included in the consolidated financial statements on that basis.

The charitable company has a 25% interest in NBI Partnership Limited ("NBIP"). NBIP supplies support and administrative services to JIC and the other Norwich Institutes (Quadram Bioscience Institute, Earlham Institute and The Sainsbury Laboratory) on a not-for-profit basis. NBIP fully recharges its costs to the four research organisations and accordingly it generates no profit or loss.

The charitable company has an investment of 45% voting share capital and £1,630k non-voting share capital in Leaf Expression Systems Limited ("Leaf"). Leaf is a commercial research & development company specialising in the expression and production of proteins, metabolites and complex natural products. The value of JIC's investment in Leaf has been fully written down at March 2023 and March 2022 to reflect the early stage of LSI's development and current trading position.

NOTES TO THE ACCOUNTS

12. INVESTMENTS (CONTINUED)

Investments – Company

The movement in the value of investments during the year was as follows:

	Total 2023 £000	Total 2022 £000
Valuation		
At beginning of year	1	1
Acquisition	-	-
Impairment	-	-
At end of year	1	1
Historical cost		
As at 1 April 2022 and 31 March 2023	1,631	1,631

Investments – Group

The Group's share of the operating results of associates was as follows:

Group	Leaf Expression Systems Limited £000	Plant Bioscience Limited £000	Total 2023 £000	Leaf Expression Systems Limited £000	Plant Bioscience Limited £000	Total 2022 £000
<i>Associates, share of:</i>						
Turnover	-	391	391	-	1,237	1,237
Operating (loss)/profit		(233)	(233)		261	261
Movement in opening balance	-	(71)	(71)	-	-	-
Share of result for the year	-	(304)	(304)	-	261	261

The Group's investment in associates is represented as follows:

Group	Leaf Expression Systems Limited £000	Plant Bioscience Limited £000	Total 2023 £000	Leaf Expression Systems Limited £000	Plant Bioscience Limited £000	Total 2022 £000
<i>Associates: Share of net assets</i>						
At beginning of year	-	1,911	1,911	-	1,650	1,650
Additions	-	-	-	-	-	-
Impairment provision	-	-	-	-	-	-
Share of result for the year	-	(304)	(304)	-	261	261
At end of year	-	1,607	1,607	-	1,911	1,911
<i>Represented by:</i>						
Share of total assets	-	1,903	1,903	-	2,590	2,590
Share of total liabilities	-	(296)	(296)	-	(679)	(679)
Share of net assets	-	1,607	1,607	-	1,911	1,911

The Trustees consider the value of investments included in the financial statements to be supported by their underlying assets. The value of the investment in Leaf Expression Systems Limited has been fully written down, reflecting the net deficit position of the company at 31 March 2022 and 2023. JIC has no liability to contribute to losses in the company.

13. STOCKS

Group and charitable company	Total 2023 £000	Total 2022 £000
Raw materials and consumables	340	283
Total	340	283

There is no material difference between the valuation of stock and its replacement cost.

NOTES TO THE ACCOUNTS

14. DEBTORS

	Note	Group 2023 £000	Group 2022 £000	Company 2023 £000	Company 2022 £000
<i>Grants receivable:</i>					
from government bodies	24	2,187	4,219	2,187	4,219
from other sources		2,684	2,467	2,684	2,467
Trade debtors		2,764	1,465	2,418	1,297
Amounts owed by subsidiary undertakings		-	-	253	139
Amounts owed by other related parties	24	951	1,054	942	1,054
Other debtors		559	961	559	934
Prepayments and accrued income		3,056	3,115	3,024	3,114
Total amounts falling due within one year		12,201	13,281	12,067	13,224

Grants receivable from government bodies includes £2,187k in relation to capital funding receivable from BBSRC (2022: £4,219k).

15. CASH AT BANK AND IN HAND

	Group 2023 £000	Group 2022 £000	Company 2023 £000	Company 2022 £000
Cash at bank	37,666	42,945	37,442	42,765
Cash in hand	2	3	2	3
Total	37,668	42,948	37,444	42,768

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Note	Group 2023 £000	Group 2022 £000	Company 2023 £000	Company 2022 £000
<i>Grants received in advance:</i>					
from government bodies	24	5,345	6,285	5,345	6,285
from other sources		3,995	4,576	3,958	4,493
Trade creditors		3,686	3,475	3,686	3,464
Amounts owed to subsidiary undertakings		-	-	1	-
Amounts owed to other related parties	24	896	1,107	896	1,107
Other creditors		1,210	1,838	1,148	1,829
Taxation and social security		353	369	353	369
Accruals and deferred income		5,708	7,962	5,709	7,948
Total amounts falling due within one year		21,193	25,612	21,096	25,495

17. RECONCILIATION OF MOVEMENT IN GRANTS RECEIVABLE

Group and charitable company	Note	Total 2023 £000	Total 2022 £000
Grants receivable	14	4,871	6,686
Grants received in advance	16	(9,340)	(10,861)
Net grants received in advance		(4,469)	(4,175)
Net grants received in advance at beginning of year		(4,175)	(2,722)
Grant monies received during the year		(52,202)	(49,564)
Grant money released to SOFA during the year		51,908	48,111
Net grants received in advance		(4,469)	(4,175)

NOTES TO THE ACCOUNTS

18. PROVISIONS FOR LIABILITIES AND CHARGES

Group and charitable company	Total 2023	Total 2022
	£000	£000
Restructuring provision at beginning of year	284	284
Charge in the year	-	-
Released in the year	(284)	-
Utilised	-	-
Provision at end of year	-	284

The restructuring provision related to future compensation payments due under the redundancy scheme in connection with the restructuring of science programmes and the administration and support functions. As no further amounts are payable the remaining provision was released during the year.

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Fixed assets	Net current assets	Total 2023
	£000	£000	£000
Group			
<i>Unrestricted:</i>			
Fixed assets reserve	6,770	-	6,770
Designated capital reserve	-	11,705	11,705
General	-	6,378	6,378
<i>Restricted:</i>			
General reserve	-	108	108
Fixed assets reserve	68,652	-	68,652
Designated capital reserve	-	10,825	10,825
Net assets	75,422	29,016	104,438
Charitable company			
<i>Unrestricted:</i>			
Fixed assets reserve	5,163	-	5,163
Designated capital reserve	-	11,705	11,705
General	-	6,117	6,117
<i>Restricted:</i>			
General reserve	-	108	108
Fixed assets reserve	68,653	-	68,653
Designated capital reserve	-	10,825	10,825
Net assets	73,816	28,755	102,571

NOTES TO THE ACCOUNTS

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)

	Fixed assets £000	Net current assets £000	Creditors over one year and provisions £000	Restated Total 2022 £000
Group				
<i>Unrestricted:</i>				
Fixed assets reserve	7,663	-	-	7,663
Designated capital reserve	-	12,118	-	12,118
General	-	6,671	(284)	6,387
<i>Restricted:</i>				
General reserve	-	794	-	794
Fixed assets reserve	61,231	-	-	61,231
Designated capital reserve	-	11,317	-	11,317
Net assets	68,894	30,900	(284)	99,510
Charitable company				
<i>Unrestricted:</i>				
Fixed assets reserve	5,752	-	-	5,752
Designated capital reserve	-	12,118	-	12,118
General	-	6,551	(284)	6,267
<i>Restricted:</i>				
General reserve	-	794	-	794
Fixed assets reserve	61,232	-	-	61,232
Designated capital reserve	-	11,317	-	11,317
Net assets	66,984	30,780	(284)	97,480

The unrestricted fixed assets reserve relates to the net book value of fixed assets purchased from unrestricted funds. The restricted fixed assets reserve relates to the net book value of fixed assets purchased from capital grants.

The designated capital reserves are not endowment funds. The unrestricted designated capital reserve relates to funds designated by Governing Council for use in relation to planned capital investments in the financial projections to March 2028. The restricted capital reserve relates to funding received from BBSRC to be used in connection with future estates rebuild costs with the agreement of BBSRC.

The restricted general reserve relates to ring fenced strategic funding received from BBSRC. This funding has performance conditions attached and is transferred to the general reserve once the conditions have been met.

NOTES TO THE ACCOUNTS

20. ANALYSIS OF FUNDS MOVEMENTS

	Unrestricted fixed assets £000	Unrestricted designated £000	Unrestricted general £000	Restricted general £000	Restricted fixed assets £000	Restricted designated £000	Total 2023 £000
Group							
At 1 April 2022	7,663	12,118	6,387	794	61,231	11,317	99,510
Total income and expenditure for the year	-	-	(596)	(621)	6,145	-	4,928
Associates	(304)	-	304	-	-	-	-
Capital transfers	(920)	-	-	-	1,284	(364)	-
Centre funded capital	331	(331)	8	-	(8)	-	-
Other transfers	-	(82)	275	(65)	-	(128)	-
At 31 March 2023	6,770	11,705	6,378	108	68,652	10,825	104,438

Charitable company

At 1 April 2022	5,752	12,118	6,267	794	61,232	11,317	97,480
Total income and expenditure for the year	-	-	(514)	(540)	6,145	-	5,091
Capital transfers	(920)	-	-	-	1,284	(364)	-
Centre funded capital	331	(331)	8	-	(8)	-	-
Other transfers	-	(82)	356	(146)	-	(128)	-
At 31 March 2023	5,163	11,705	6,117	108	68,653	10,825	102,571

	Unrestricted fixed assets £000	Unrestricted designated £000	Unrestricted general £000	Restricted general £000	Restricted fixed assets £000	Restricted designated £000	Restated Total 2022 £000
Group							
At 1 April 2021	7,994	12,645	7,266	48	55,248	9,255	92,456
Total income and expenditure for the year	-	-	274	(605)	7,385	-	7,054
Associates	261	-	(261)	-	-	-	-
Capital transfers	(624)	-	-	(36)	660	-	-
Centre funded capital	32	(300)	268	-	(2,062)	2,062	-
Other transfers	-	(227)	(1,160)	1,387	-	-	-
At 31 March 2022	7,663	12,118	6,387	794	61,231	11,317	99,510

Charitable company

At 1 April 2021	6,344	12,645	7,028	48	55,486	9,255	90,806
Total income and expenditure for the year	-	-	159	(633)	7,148	-	6,674
Capital transfers	(624)	-	-	(36)	660	-	-
Centre funded capital	32	(300)	268	-	(2,062)	2,062	-
Other transfers	-	(227)	(1,188)	1,415	-	-	-
At 31 March 2022	5,752	12,118	6,267	794	61,232	11,317	97,480

Capital transfers relate to fund movements in connection with fixed assets and depreciation; ensuring assets are appropriately reflected in separate reserves.

Centre funded capital transfers relate to capital expenditure funded from the unrestricted designated capital reserve and general reserve.

Where research at JIC is funded by grants with performance conditions attached to them these are shown in the Restricted general fund. When the conditions have been met the remaining contribution to core funding is transferred to general reserves, shown in other transfers above.

NOTES TO THE ACCOUNTS

21. PRIOR YEAR ADJUSTMENT – CHANGE OF ACCOUNTING POLICY

The accounting policy for leasehold land and buildings has been reviewed and changed from valuation to historic cost less accumulated depreciation.

The leasehold land and buildings are of a specialist nature and are used by the Institute in its scientific and associated administrative activities, occupied principally through long leases on a peppercorn rent. During the year John Innes Centre secured UKRI Infrastructure Fund capital investment of £317.7m to develop a new world class research environment. The change in policy has made because it is believed a cost model will provide more reliable and relevant information to the readers of the financial statements with this major change in the site and facilities.

The change in accounting policy has been applied retrospectively, meaning the opening balances at 1 April 2022 and 1 April 2021, and comparatives for the year ended 31 March 2022 have been restated, as if the new accounting policy had always applied.

The impact of the change of accounting policy is to reduce the net book value of tangible assets, total net assets and total funds at 1 April 2022 by £36,100k and at 1 April 2021 by £26,326k.

For the year ended 31 March 2022 depreciation is reduced by £1,131k and the gain on revaluation of tangible fixed assets is reduced from £10,905k to £nil. The net movement in funds for the year ended 31 March 2022 is therefore reduced by £9,774k.

The adjustments are same for the group and the charitable company.

22. COMMITMENTS

	Total	Restated Total
Group and charitable company	2023	2022
	£000	£000

Capital commitments at the end of the financial year for which no provision has been made:

Contracted	5,382	5,031
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Amounts due under other operating leases for plant and machinery:

Expiring in less than one year	44	36
Expiring between one and two years	28	32
Expiring between two and five years	13	16
Expiring over five years	2	-
	87	84

23. PENSION SCHEMES

JIC staff that joined before 1 October 2011 were employed by BBSRC up to 1 October 2017, when they transferred employment to the Institute under TUPE.

Transferred employees retain their membership of the Research Councils Pension Scheme (RCPS), where applicable, with JIC becoming an admitted employer in the scheme. The RCPS is a defined benefit scheme funded from annual grant-in-aid on a pay-as-you-go basis. The RCPS Pension Scheme is a multi-employer scheme and JIC is unable to identify its share of the underlying assets and liabilities. JIC therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period. Liabilities for the payment of future benefits are the responsibility of the RCPS and accordingly are not included in these Financial Statements. The employer contribution rate during the year was 26% (2022: 26%).

JIC employees that joined after 30 September 2011 are eligible to join a defined contribution scheme.

The total pension charge for the year was £1,894,373 (2022: £2,006,968), with outstanding contributions at the year-end of £96,278 (2022: £97,907).

NOTES TO THE ACCOUNTS

24. RELATED PARTY TRANSACTIONS

BBSRC

JIC is strategically funded by BBSRC. Grants received from BBSRC are detailed in note 2. At 31 March 2023, BBSRC owed JIC £2,187,669 (2022: £3,954,455).

Plant Bioscience Limited

PBL is 33% directly owned by JIC. PBL has been accounted for as an associate within the consolidated financial statements. Services provided to JIC by PBL in the year to 31 March 2023 amounted to £32,400 (2022: £43,200). During the year, PBL paid JIC £31,670 (2022: £38,755) in rent and £1,603 (2022: £nil) for other costs. At the end of the year £1,335 was due from PBL (2022: £nil) and no amount was due to PBL (2022: £nil).

Leaf Expression Systems Limited

JIC has invested £1,630,000 in the non-voting share capital of Leaf Expression Systems Limited ("Leaf"). Leaf has been accounted for as an associate within the consolidated financial statements. JIC paid Leaf £129,646 (2022: £nil) for services in the year ended 31 March 2023. At 31 March 2023, JIC owed Leaf £nil (2022: £3,287). JIC provided a short-term loan to Leaf which was repaid during the year. Interest is payable on the loan at a rate of 2.5%. At 31 March 2023, JIC had a loan balance with Leaf of £nil (2022: £112,500).

During the year, Leaf paid JIC £139,882 (2022: £11,796) for costs incurred by JIC on behalf of Leaf. At 31 March 2023, Leaf owed JIC £17,511 (2022: £902).

NBI Partnership Limited

JIC is one of the four guarantors of NBI Partnership Ltd ("NBIP"), a company limited by guarantee. JIC has provided short-term loans to NBIP to enable NBIP to manage its cash requirements. Interest is payable on the loan at 2% and during the year JIC charged £6,748 (2022: £6,760) in respect of interest due. At 31 March 2023, JIC had a loan balance with NBIP of £337,380 (2022: £337,380).

JIC was charged £5,005,881 (2022: £4,579,554) for services by NBIP under a cost sharing agreement. As at 31 March 2023, JIC owed NBIP £507,369 (2022: £555,188). NBIP paid JIC £46,926 (2022: £62,315) for services and, as at 31 March 2023, NBIP owed JIC £1,487 (2022: £53,487).

Anglia Innovation Partnership LLP

JIC is a member of Anglia Innovation Partnership LLP through its 100% subsidiary, JIC NRP Capital Limited. Anglia Innovation Partnership LLP is responsible for the management and development of the Norwich Research Park (NRP) estate and for the furtherance of the NRP Enterprise Vision.

During the year, JIC received services totalling £22,325 (2022: £22,535) and was charged £90,640 (2022: £71,595) for estate costs. As at 31 March 2023, JIC owed AIP LLP £9,572 (2022: £30,078). JIC invoiced Anglia Innovation Partnership LLP for services totalling £252,685 (2022: £198,259). As at 31 March 2023 Anglia Innovation Partnership LLP owed JIC £91,705 (2022: £86,937).

University of East Anglia

UEA is a member of the charitable company and it nominates one Governor to the Governing Council.

The majority of PhD students carrying out research at JIC are registered with UEA. During the year UEA provided student services of £867,829 (2022: £386,306) and other services amounting to £327,645 (2022: £233,518) to JIC. At 31 March 2023, JIC owed UEA £242,926, for student fees and other costs (2022: £339,676) and £14,167 for other services (2022: £81,755).

During the year, JIC received £856,347 (2022: £364,215) in student payments from UEA and provided £611,253 (2022: £187,042) of other services and JIC received £18,281. At 31 March 2023, UEA owed JIC £430,717 (2022: £396,012) for student fees and other services and owed JIC £9,452.

NOTES TO THE ACCOUNTS

24. RELATED PARTY TRANSACTIONS (CONTINUED)

John Innes Foundation

JIF is a member of the charitable company and it nominates one Governor to the Governing Council of JIC. The following transactions took place during the year:

	Total 2023 £000	Restated Total 2022 £000
<i>Paid to JIC:</i>		
Grants for studentships	471	436
Grants for research project	150	142
Contribution to salary costs	27	39
Contribution to other costs	52	3
Contribution to capital costs	7	133
	707	753

At 31 March 2023, JIF owed JIC £62,434 (2022: £66,533) and JIC owed JIF £122,437 (2022: £96,904).

John Innes Enterprises Ltd

JIE Ltd is the wholly owned trading subsidiary of JIC. JIE undertakes contract research, research services and consultancy.

During the year, JIC invoiced JIE for services and other costs totalling £520,091 (2022: £346,370) and JIE invoiced JIC for costs totalling £1,000 (2022: £11,179). In addition, JIE made a gift aid payment to JIC of £nil (2022: £9,521). As at 31 March 2023, JIE owed JIC £253,485 (2022: £139,120) and JIC owed JIE £1,000 (2022: £nil).

Norwich Biosciences Ltd

Norwich Biosciences Ltd is the wholly owned trading subsidiary of JIC. NBL manages intellectual property on behalf of JIC. During the year NBL paid JIC a gift aid payment of £55,828 (2022: £19,634).

25. CASH HELD AS GRANT CO-ORDINATOR

JIC holds cash of £833,439 (2022: £1,038,116) on behalf of various institutes in its capacity as project co-ordinator on a number of projects. JIC acts as an intermediary only and does not control the risks and rewards associated with the cash. An equal balance is held in other creditors.

26. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The Trustees consider that there is no ultimate parent undertaking and controlling party. JIC is the parent undertaking of the smallest and largest group of undertakings to consolidate these financial statements.

27. CONTINGENT LIABILITY

JIC receives grant income from funding bodies, such as the BBSRC and the European Union, that routinely undertake retrospective financial audits of costs claimed. Such audits may from time to time give rise to adjustments to grant income receivable. No general provision is made for such potential audit adjustments in the financial statements.

CHARITY INFORMATION

Directors and Trustees

Sir T Hughes-Hallett (Chair - Governing Council)
Mr J H Innes (Chair – Audit Committee)
Ms J K Midura (Chair - Remuneration & Nominations Committee)
Prof N Talbot
Prof J P Armitage (Chair - Science and Impact Advisory Board)
Dr J D McCafferty
Mr C Maw
Dr C A Caulcott
Prof M Searcey

Company Secretary

Mr D Foreman

Director of the Institute

Prof G Moore

Key Management Personnel

Prof G Moore
Prof A Osbourn
Mr D Foreman
Ms A O'Halleron
Prof A Maxwell

Registered charity number

223852

Registered company number

00511709

Registered and principal office of the charity

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