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John Innes Foundation

Report and Financial Statements

Year ended: 31st March 2019

Charity no: 1111527

Company no: 05574485





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Report of the trustees for the year ended 31st March 2019 (incorporating the Directors' report)

- 1.1 The trustees present their annual report and financial statements of the charity for the year ended 31st March 2019. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's trust deed, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2014, as amended by FRS102 effective 1 January 2015. For registration and accounting purposes under the Charities Act 2011 the charity registration number 1111527 applies to both John Innes Foundation ("The Charitable Company" or "JIF") and John Innes Foundation Trust ("The Trust"), together with subsidiary entities "The Charitable Group".
- 1.2 The Charities Commission, in a Scheme dated 4 November 2005 ("2005 Scheme"), issued a Uniting Direction such that the financial statements show the aggregation of the results of the John Innes Foundation and the John Innes Foundation Trust, combining the results as if they are one entity. The charitable company is sole trustee of the trust and accordingly is not the beneficial owner of the trust's assets.
- 1.3 The Endowment Funds of John Innes Foundation Trust are held by John Innes Foundation as trustee subject to the trusts contained in the 2005 Scheme under which income arising from the Endowment Funds is transferred to the John Innes Foundation.
- 1.4 The charitable company is governed by its Memorandum and Articles of Association, incorporated on 26 September 2005 and registered with the Charity Commission on 30 September 2005. New Articles of Association were adopted on 27 October 2015 and further updated and adopted on 10 July 2018.

Objectives and activities for the public benefit

- 2.1 The John Innes Foundation is a charity dedicated to the advancement of education in agriculture, horticulture or related scientific subjects by:
 - (i) the provision of premises and facilities for research and the dissemination of the results of such research and assistance with the provision of funding for staffing, studentships, scholarships, professorships or bursaries in collaboration with the University of East Anglia and/or the John Innes Centre;
 - (ii) the application of a yearly sum of not less than £500 or such other sum as the Commission may from time to time in writing approve in or towards maintaining or providing scholarships to be called "John Innes Scholarships" to be awarded in accordance with rules to be made from time to time by the Governors of Rutlish School in the London Borough of Merton.

Also the provision of facilities in the interests of social welfare for recreation and leisure-time occupation of children and young persons in the London Borough of Merton; and such other charitable purposes as are required in the Law of England and Wales as the Trustees think fit.
- 2.2 The trustees (who are directors of the Charitable Company) confirm that they have referred to the Charity Commission's guidance on public benefit when reviewing the Trust's aims and objectives, in planning future activities, and setting the grant making policy for the year.
- 2.3 The charitable company owns 100% of the share capital of John Innes Agriculture Limited ("JIA") and John Innes Biosprospects Limited ("JIB"), which were set up to carry out commercial activities that support the charitable company's aims. Both JIB and JIA were dormant during the year ended 31 March 2019. JIA was dissolved on 8th October 2019.

- 2.4 JIF is a member of Anglia Innovation Partnership LLP ("AIP LLP"), formerly called Norwich Research Partners LLP (NRP LLP), through its investment via JIB and also through ownership of freehold land leased to NRP LLP on a peppercorn basis. The aim is to exploit the full value of the land under the control of AIP LLP (which is charged with developing a world class research park in Norwich) in pursuance of the Foundation's charitable objectives.

Grant making policy

- 3.1 JIF and the Trust in part further their charitable purposes for the public benefit through its grant making policy which aims at:
- 3.1a making its land and buildings on the Norwich Research Park, Colney, Norwich available for scientific research by John Innes Centre ("JIC") and other bodies.
 - 3.1b provision of studentships and fellowships.
 - 3.1c maintaining as an educational resource the Historical Collections of botanical books and other material which illustrate the history of botany and genetics and which includes the archives of JIC.
 - 3.1d making an annual donation of a 'John Innes Scholarship' to be awarded by the Governors of Rutlish School
 - 3.1e leasing the 'John Innes Youth Centre' premises in Merton to the YMCA as a programme related investment.
- 3.2 JIF and the Trust carries out this programme, enabling others to provide benefit on their behalf, through partnerships with institutions. In particular, the Trust has concentrated on developing the existing partnerships primarily with the John Innes Centre in Norwich (registered charity 223852) a closely related educational charity and world leading scientific institute undertaking fundamental research on plants and microbes.
- 3.3 Trustees receive periodic reports and briefings from grant recipients on research and educational advancement.

A review of our achievements and performance: How our grant and research programmes delivered public benefit.

- 4.1 JIC is awarded an annual grant for the JIF Student Rotation Programme:
- 4.1a £321,500 (2018: £308,000 - part of studentships note 4 to accounts) for rotational studentships. Allocation of the grant is controlled by the Director of John Innes Centre and administered by JIC in accordance with their current priorities. Applicants are of a very high calibre and JIC undertake a rigorous selection process. 5 students are co-funded by the grant from JIF and JIC, and 3 students are then fully funded by the JIF grant in each of years 2, 3 and 4. Website jic.ac.uk provides information on activities that grants contribute towards.
 - 4.1b £9,000 (2018: £9,000) includes a contribution to recreation and sporting facilities and services to students and staff (part of staff welfare note 4 to accounts)
 - 4.1c £3,000 (2018: £3,000) providing a contribution to Student Voice, which aims to represent the views of students across JIC to ensure they have the support they need through their PhD degrees. (part of staff welfare note 4 to accounts). This support takes the form of social, academic, wellbeing and training events.
- 4.2 JIC is also awarded an annual grant of:
- 4.2 a £12,045 (2018: £11,955) contribution to JIC with regards to the administration of the JIC Historical Collection (part of emeritus fellows/honoraria note 4 to the accounts). The grant is administered by JIC in accordance with their current priorities. Website jic.ac.uk provides information on activities that grants contribute towards.

- 4.2 b £29,715 (2018: nil) Chris Leaver Fellowship. £410,960 (part of the emeritus fellows/honoraria note 4 to accounts) was approved for a 5 year term commencing 2019 and being committed, the full amount is shown as grant having been made year end 31st March 2019 although only £29,715 has thus far been paid. The balance is shown in accruals committed grants (note 13 to accounts).
- 4.3 Other grants for educational purposes were also made (note 5 in the accounts) totalling £61,705 (2018: £27,455) most notably:
- 4.3 a £22,500 (2018: nil) Food & Farming Discovery Trust, £15,000 supporting education in schools and the opportunity for young persons to learn about food, farming and the countryside, and career options. £7,500 events trailer providing a mobile platform of learning in schools and at the Royal Norfolk Show.
- 4.3 b £15,875 (2018: £4,625) Agricultural bursaries assisting with degree education funding of three students from non-traditional farming backgrounds, two at Royal Agricultural University and one at Harper Adams University.
- 4.3 c £12,030 (2018: £12,030) to assist with the JIC Undergraduate Summer School providing undergraduate students of any nationality with the unique opportunity to spend the summer experiencing first-hand what it is like to work in a world leading research environment.
- 4.4 In support of JIF and the Trust's objectives and to secure a contribution from the Earlham Institute a lease was granted to the Earlham Institute by John Innes Foundation dated 2nd March 2015 for a term of 25 years from 1st December 2014 with an annual charge of £100,000 and rent reviews on each 5th anniversary of that date throughout the term. The primary purpose of this arrangement is in accordance with the Foundation's objects.
- 4.5 In 2015/16, JIF completed two leases dated 27th July 2015 to each of JIC and The Sainsbury Laboratory, both for terms of 60 years from 27th July 2015. No rent is levied on either letting, both being compliant with JIF's and the Trust's charitable objectives.

Financial review

- 5.1 JIF's and the Trust's work is entirely reliant on income and investment returns from its endowments. The capital value and capital gains of endowed investments is protected in so much that it cannot be used for grant disbursement, income however is transferred to non-endowed funds.
- 5.2 Income and capital gains from unendowed funds are available for charitable purposes of JIF and the Trust.
- 5.3 The charitable group had total incoming resources of £970,228 (2018: £804,308). Direct expenditure excluding depreciation amounted to £1,090,164 (2018: £1,308,329) and depreciation £338,123 (2018: £338,123) was charged to the financial statements for the year, resulting in a net deficit of £458,058 (2018 deficit: £842,143) before investment results. Last year direct expenditure included £500,000 toward a new JIC Field Trials Centre for seed and plant handling supporting scientists in important crop research and a contribution of £248,826 to the new Creche completed by AIP LLP in March 2018 which provides a much needed facility for the institutes at Norwich Research Park to assist in attracting and retaining essential scientists and associated staff. This year included new funding of £410,960 for JIC Chris Leaver Fellowship.
- 5.4 In noting the deficit before deferred income, depreciation, investment results and investment management fees there was a cash generated surplus of £8,755,284 (2018 deficit £430,118) increasing net current assets to £11,333,685 (2018: £2,578,400). This arose from net sale proceeds of Newfound Farm £7,345,804 received, and a further £3,157,080 due within the next 12 months; £2,000,000 of cash transferred to investments; and £274,479 of the Chris Leaver grant being a grant creditor > 12 months.

- 5.5 There was a net gain of £1,220,223 (2018 net loss: £272,808) in the value of portfolio managed listed investments (see note 11 to the accounts), and a loss of £1,742 (2018 loss: £262,324) in the revaluation of the part Newfound Farm re-designated as an investment asset in 2017 prior to disposal resulting in an increase of £760,422 (2018 decrease: £1,377,275) in total funds.

Said part of Newfound Farm was sold during the year generating sale proceeds of £16,296,272 including deferred consideration and disposal costs £499,124, in part received and paid with the balance over 3 years discounted at a rate of 6% per annum having regard to rates of return on investments.

- 5.6 In the opinion of the trustees, the market value of the land and buildings at 31st March 2019 would exceed the book value included in the financial statements, but they are unable to quantify this excess in the absence of a full professional valuation, the costs of which are not considered justifiable.

Investment policy and performance

- 6.1 The value of the charitable group's market investments (net of fees and movements in cash held in brokers accounts) increased by £1,220,223 (2018 decrease: £272,808) during the year ending 31st March 2019 and generated £651,536 (2018: £635,154) in dividends and interest. This represents an income stream of 3.6% (investment income/ opening balance of market invested funds) (2018 3.4%). The overall return for the year (net gains/ losses on investments plus investment income less investment management fees as a percentage of opening balance of market invested funds) was 10.9% (2018: 2.4%).
- 6.2 Rathbones Investment Management Limited, Quilter Cheviot and Barratt & Cooke have managed the JIF portfolio during the year ended 31st March 2019. Investment reports are provided quarterly. The investment managers meet with the trustees annually to agree requirements for the following year (and at other times as necessary) within the general requirement to maintain capital values while increasing income generation.
- 6.3 The charity is a long term investor and, on professional advice, continue to hold a mixed portfolio of equities, bonds, cash and other investments designed to provide a stable level of income and the possibility of investment gains. The returns in 6.1 compare with (for the same period) the WMA total return index 7.7% and ARC Charities Steady Growth 5.98%.

Risk management

- 7.1 The principal risks faced by the Charitable Group lie in the performance of investments and operational risks from ineffective grant making and the capacity of the Charitable Group to make effective grants.
- 7.2 The trustees consider variability of investment returns on endowed and non-endowed funds to constitute the Charitable Group's major financial risk. This is mitigated by retaining expert investment managers and having a diversified investment portfolio.
- 7.3 The operational risk from ineffective research and student grant awards that are not consistent with the advancement of education is managed by firstly retaining trustees of sufficient skill and expertise and secondly through the quality of the institutions, particularly JIC, and their rigorous selection of the people who we support. A thorough process of reporting and reviewing the progress of students has been introduced which assists us in measuring the effectiveness and impact of JIF's support for education in agriculture, horticulture and biotechnology. This review process retains our focus on the public benefit derived from our funding of their work.
- 7.4 Operational risk covering both income and expenditure is also managed with the preparation of net movement in funds and cashflow forecasts, regular monitoring of actual performance against these forecasts and ensuring that adequate liquid resources are in place to meet the requirements of the business.
- 7.5 The Charitable Group maintains liability insurance for its trustees and officers as permitted by section 233 of the Companies Act 2006. The Charitable Group's insurance policy does not provide cover in the event that a trustee or officer is proved to have acted fraudulently or dishonestly.

- 7.6 The Trust holds a library collection of books and papers. The assets were acquired in past accounting periods and not capitalised. The value of such assets is excluded from the balance sheet reflecting the fact that reliable cost information is not available and conventional valuation approaches lack sufficient reliability. It is also assessed that the inclusion of such information would provide very limited (if any) additional benefit to users of the accounts in assessing the trustees' stewardship of the assets. The library collection is under the guardianship of John Innes Centre who employ an archivist, the cost to which JIF contributes. JIC is also responsible for insurance, valuation for insurance purposes 26th March 2019 £2,731,700.
- 7.7 Trustees do not consider that there has been any significant increase in risk during the year and that funds have been applied appropriately. A risk register is maintained and reviewed at each Trustee meeting.

Reserves Policy

- 8.1 The reserves policy of the trustees is that the aggregated reserves of the Charitable Company and The Trust shall be sufficient to ensure that, when invested by the appointed investment manager, they shall produce sufficient income to fund budgeted costs each year and, over the long term, increase their capital value at least in line with inflation.
- 8.2 At 31st March 2018 the charitable group had free reserves of £4,954,753 (2018: £4,900,569) and this is considered sufficient for immediate needs (being unrestricted funds excluding unrestricted tangible fixed assets)

Plans for the future

- 9.1 JIF is a founding member of Anglia Innovation Partnership LLP (name changed from Norwich Research Partners LLP in August 2018), which continues to provide a unique opportunity for the Charitable Group to primarily realise the potential of the land under its control in pursuance of its Charitable Objectives, while also providing it with a degree of influence over a business entirely compatible with its Charitable Objectives
- 9.2 The trustees applaud the level and quality of the science undertaken by the PhD students at JIC and are committed to the on-going support of studentships. Trustees continue to review further opportunities to provide additional support of studentships at educational centres focused on agriculture, horticulture and biotechnology.
- 9.3 The Charitable Group continues to maximise its pursuit of charitable objectives via the effective use of its assets. It completed on the sale of 66 acres of land at Newfound Farm to Barratt Developments (BDW Trading Ltd) in the sum of £17,314,983 with payment agreed in 4 annual tranches - £7,686,749 on completion, followed by 2 payments of £3,410,500 on 25th March 2020 and 2021, and a final payment of £2,807,234 on 25th March 2022 subject to contingent liabilities of £1.5m (Notes to Accounts 14) It is envisaged that funds received will in due course be invested with Fund Managers and future redevelopment of the John Innes Centre site.
- 9.4 An Option on the remainder of Newfound Farm, comprising a further 66 acres was agreed with an option fee of £155,000, rising to £175,000 if a condition precedent is discharged relating to the provision of playing field facilities which Barratt may be required to deliver if not provided by a 3rd party on an adjacent residential development site. The option fee was paid on 6th September 2018 with the increase payable when the condition precedent in the planning permission is discharged – date as yet unknown. These 66 acres remain at cost in Land and Buildings pending determination of development potential. The option fee is non-refundable and has therefore been recognised as income in the year ended 31st March 2019.

Structure, governance and management

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

Key management personnel remuneration

- 11.1 Trustees consider the board of the trustees and Chair of Trustees as comprising the key management personnel of the charity in directing and controlling the charity, assisted by a Clerk to Trustees and a Financial Administrator in running and operating the charity on a day to day basis.
- 11.2 Details of trustee remuneration and expenses and related party transactions are disclosed in notes 7, and 8 to the accounts. Remuneration is governed by an independent Remuneration Committee meeting annually.

Reference and administration information

Trustees:

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

P D Innes (Chair of Trustees)
Professor I R Crute CBE (resigned 31st March 2019)
K R Norman
Dr D K Lawrence
D J McLeavy Hill
Dr T L Barsby OBE
Professor R S Hails (appointed 1st April 2019)

Solicitors:

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

Investment Managers:

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

Clerk to Trustees:

David Harvey, Harvey & Co, St James' Mill, Whitefriars, Norwich NR3 1SH

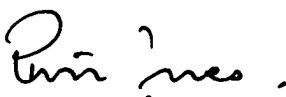
Financial Administrator:

D Marshall ACMA, UKMarshall Ltd, 15 Seton Road, Taverham, Norwich NR8 6QE

Trustees' responsibilities in relation to financial statements

- 12.1 The trustees (who are also directors of John Innes Foundation for the purposes of company law) are responsible for preparing the report of the trustees and the financial statements in accordance with applicable law and regulations.
- 12.2 Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:
- select suitable accounting policies and then apply them consistently
 - observe the methods and principles in the Charities SORP
 - make judgments and accounting estimates that are reasonable and prudent
 - state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
 - prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in business.
- 12.3 The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006, and Charities Act 2011. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.
- 12.4 The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements.
- 12.5 In so far as each of the trustees is aware:
- there is no relevant audit information of which the charitable company's auditor is unaware; and the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

Approved by the trustees on 4th December 2019 and signed on their behalf by:



P D Innes
Chair of Trustees

Independent auditor's report to the members and trustees of John Innes Foundation

Opinion

We have audited the financial statements of John Innes Foundation (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2019, which comprise the Consolidated statement of financial activities, Consolidated balance sheet, Charity aggregated balance sheet, consolidated statement of cashflows, Consolidated summary of income and expenditure account and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102; The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 March 2019 and of the group's and the parent charitable company's incoming resources and application of resources, including the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and Charities Act 2011.

Basis for opinion

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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group or the parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the report of the trustees set out on pages 3 to 10, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion 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 Directors' Report, prepared for the purpose of company law, included in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Directors' Report included in the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

Responsibilities of the trustees for the financial statements

As explained more fully in the Trustees' Responsibilities Statement set out on page 10, the trustees (who are also the directors of the 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 misstatements, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the 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

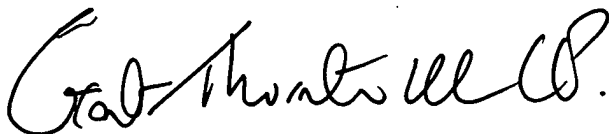
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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.

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

Use of our report

This report is made solely to the charitable company's members and trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members and trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Tobias Wilson BA (Hons) FCA

Senior Statutory Auditor

for and on behalf of Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants

Norwich

18/12/19

Grant Thornton UK LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Consolidated Statement of Financial Activities for the year ending 31st March 2019

	Note	Unrestricted funds	Endowment funds	Total funds 2019	Total funds 2018
Income and endowments from:					
Grants, donations and legacies		-	-	-	-
Charitable activities		112,698	-	112,698	119,904
Other trading activities		45,438	-	45,438	36,748
Investments	2	657,092	-	657,092	647,656
Other	2	-	155,000	155,000	-
Total		815,228	155,000	970,228	804,308
Expenditure on:					
<i>Raising funds:</i>					
Investment Manager costs		11,759	93,098	104,857	80,903
Legal and other Professional Fees		7,924	12,062	19,986	20,822
Cost of raising funds		19,683	105,160	124,843	101,725
<i>Expenditure on charitable activities:</i>					
Premises and facilities for scientific research and learning	3	288,523	74,600	363,123	1,095,623
Funding for staffing, studentships, scholarships, professorships or bursaries	4	758,514	-	758,514	331,955
Other grants and donations advancing education	5	61,705	-	61,705	27,455
Support and overhead costs	6	120,101	-	120,101	89,693
Cost of charitable activities		1,228,843	74,600	1,303,443	1,544,726
Total expenditure		1,248,526	179,760	1,428,286	1,646,451
Net income / (expenditure)		(433,298)	(24,760)	(458,058)	(842,143)
Net gains / (losses) on investments	11	223,959	996,264	1,220,223	(272,808)
Other recognised gains / (losses): Gains/(losses) on revaluation of fixed assets	11	-	(1,742)	(1,742)	(262,324)
Net movement in funds		(209,339)	969,762	760,423	(1,377,275)
Reconciliation of funds:					
Total funds brought forward		9,697,132	34,052,280	43,749,412	45,126,687
Total funds carried forward		9,487,793	35,022,042	44,509,835	43,749,412

Consolidated Balance Sheet as at 31st March 2019
Registered number 05574485

	Note	Unrestricted funds	Endowment funds	Total funds 2019	Total funds 2018
Fixed assets:					
Tangible assets	9	4,533,040	1,468,500	6,001,540	6,339,663
Investments	11	4,597,299	17,564,526	22,161,825	34,845,349
Total fixed assets		9,130,339	19,033,026	28,163,365	41,185,012
Non-current assets:					
Debtors: Amounts falling due after more than one year	12	-	5,393,421	5,393,421	-
Current assets:	12				
Debtors		114,836	3,216,102	3,330,938	66,071
Cash at bank and in hand		711,887	7,812,516	8,524,403	3,085,860
Total current assets		826,723	11,028,618	11,855,341	3,151,931
Liabilities:	13				
Creditors: Amounts falling due within one year		(187,790)	(333,866)	(521,656)	(573,531)
Net current assets or liabilities		638,933	10,694,752	11,333,685	2,578,400
Total assets less current liabilities		9,769,272	35,121,199	44,890,471	43,763,412
Creditors: Amounts falling due after more than one year	13	(281,479)	(99,157)	(380,636)	(14,000)
Net assets		9,487,793	35,022,042	44,509,835	43,749,412
The funds of the charity:	16				
Endowment funds		-	35,022,042	35,022,042	34,052,280
Restricted income funds		-	-	-	-
Unrestricted funds		9,487,793	-	9,487,793	9,697,132
		9,487,793	35,022,042	44,509,835	43,749,412

The accompanying accounting policies and notes on pages 17 to 33 form an integral part of these financial statements.

Approved by the trustees on 4th December 2019 and signed on their behalf by:



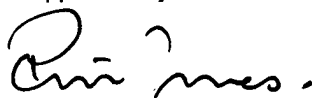
PD Innes
Chair of Trustees

Charity Aggregated Balance Sheet as at 31st March 2019
Registered number 05574485

	Note	Charitable Company Unrestricted funds	Charitable Trust Endowment funds	Total funds 2019	Total funds 2018
Fixed assets:					
Tangible assets	10	4,533,040	1,468,500	6,001,540	6,339,663
Investments	11	4,597,299	17,564,526	22,161,825	34,845,349
Total fixed assets		9,130,339	19,033,026	28,163,365	41,185,012
Non-current assets:					
Debtors: Amounts falling due after more than one year	12	-	5,393,421	5,393,421	-
Current assets:	12				
Debtors		114,836	3,216,102	3,330,938	66,071
Cash at bank and in hand		711,887	7,812,516	8,524,403	3,085,860
Total current assets		826,723	11,028,618	11,855,341	3,151,931
Liabilities:					
Creditors: Amounts falling due within one year	13	(187,790)	(333,866)	(521,656)	(573,531)
Net current assets or liabilities		638,933	10,694,752	11,333,685	2,578,400
Total assets less current liabilities		9,769,272	35,121,199	44,890,471	43,763,412
Creditors: Amounts falling due after more than one year	13	(281,479)	(99,157)	(380,636)	(14,000)
Net assets		9,487,793	35,022,042	44,509,835	43,749,412
The funds of the charity:	16				
Endowment funds		-	35,022,042	35,022,042	34,052,280
Restricted income funds		-	-	-	-
Unrestricted funds		9,487,793	-	9,487,793	9,697,132
		9,487,793	35,022,042	44,509,835	43,749,412
Reconciliation of funds:					
Total funds brought forward		9,697,132	34,052,280	43,749,412	45,126,687
Net movement in funds		(209,339)	969,762	760,423	(1,377,275)
Total funds carried forward		9,487,793	35,022,042	44,509,835	43,749,412

The accompanying accounting policies and notes on pages 17 to 33 form an integral part of these financial statements.

Approved by the trustees on 4th December 2019 and signed on their behalf by:


PD Innes
Chair of Trustees

Consolidated Statement of Cash Flows for the year ending 31st March 2019

	Note	Total funds 2019	Total funds 2018
Net cash used in operating activities	18	(564,353)	(526,597)
<i>Cash flows from activities:</i>			
Interest and dividends		657,092	647,656
Proceeds of sale		7,686,749	-
Disposal costs		(340,945)	-
Cash provided by investments and activities		7,438,543	121,059
<i>Cash flows from other sources:</i>			
Transfer to investment funds		(2,000,000)	-
 Change in cash and cash equivalents in the year		 5,438,543	 121,059
Cash and cash equivalents brought forward		3,085,860	2,964,801
Cash and cash equivalents carried forward		8,524,403	3,085,860

Consolidated Summary Income and Expenditure Account for the year ending 31st March 2019

	2019	2018
Total income	970,228	804,308
Total expenditure	(1,428,286)	(1,646,452)
Gains/(losses) on investments	(12,578,667)	(535,131)
Realised investments	15,797,148	-
Cash transferred to investments	(2,000,000)	-
Net income / expenditure for year	760,423	(1,377,275)

Detailed analysis of expenditure is provided in the statement of financial activities and notes 3 to 8.

The summary income and expenditure account is derived from the financial activities on page 14 which together with the notes to the financial statements on pages 17 to 33 provides full information on the movements during the year on all funds of the group.

Notes to the accounts

1. Accounting Policies

a) Basis of preparation and assessment of going concern

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice : Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

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

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

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

b) Functional currency

The functional and reporting currency is £ sterling.

c) Basis of consolidation

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

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

d) Funds structure

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

Restricted funds are funds which are to be used with specific restrictions imposed by a donor or trust deed of which there are currently none.

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

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

e) Income recognition

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

Donations and grants are accounted for in the year in which the amount is receivable unless there are any specific conditions attached when recognition will only take place once these conditions have been met. Other income is recognised when all conditions are met for receipt of the cash.

Investment income is recognised on entitlement to the declared dividends and interest on cash deposits is recognised on an accruals basis.

Grant claims for contributions to costs incurred have been recognised when claimable.

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

f) Expenditure recognition

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

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

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

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

g) Irrecoverable VAT

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

h) Allocation of support and governance costs

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

i) Cost of raising funds

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

j) Charitable activities

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

k) Tangible fixed assets and depreciation

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

Freehold land	not depreciated
Freehold buildings	34 to 50 years

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

l) Fixed asset investments

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

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

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

Land held as an investment is held at valuation.

m) Heritage assets

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

n) Realised gains and losses

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

Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

o) Pensions

There are no employees of the charity.

p) Contingent liabilities

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

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

q) Programme related and mixed motive investments

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

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

r) Estimations and accounting judgements

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

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

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

- the fixed assets: determination of useful economic lives and classification as programme related investments (note k above and note 9).
- investments: the assessment of impairment risk relating to the investment in Anglia Innovation Partnership LLP ('AIP LLP') and its classification as a programme related investment (note l above and note 11).
- investment property: the classification and valuation of land held for financial investment purposes (note 11)

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

2. Investment income

	2019	2018
	£	£
Investments	651,536	635,154
Bank Interest	5,556	12,502
	<u>657,092</u>	<u>647,656</u>
Other income – Newfound Farm option agreement	<u>155,000</u>	<u>-</u>

3. Analysis of charitable expenditure on premises and facilities for scientific research and learning

	2019	2018
	£	£
<i>Premises and facilities for scientific research and learning:</i>		
Legal and other professional fees	-	-
NRP LLP Creche for site wide use	25,000	248,826
JIC Field Trials Centre Grant	-	500,000
JIC Planscape Grant	-	8,674
Depreciation Earlham Institute	235,785	235,785
Depreciation Freehold Property Building W1 leased to JIC	27,738	27,738
Depreciation Other Freehold Property leased to JIC	74,600	74,600
	<u>363,123</u>	<u>1,095,623</u>

With the exception of 'Depreciation Other Freehold Property leased to JIC', all costs were from unrestricted funds for both 2019 and 2018.

4. Analysis of charitable expenditure on funding for studentships, scholarships, professorships or bursaries

	2019	2018
	£	£
<i>Funding for staffing, studentships, scholarships, professorships or bursaries:</i>		
Grant for professional salaries	2,009	-
Studentships	321,500	308,000
Staff welfare	12,000	12,000
Emeritus fellows/honoraria	423,005	11,955
Pensions	-	-
	<u>758,514</u>	<u>331,955</u>

All costs were from unrestricted funds for both 2019 and 2018.



5. Analysis of charitable expenditure on grants and donations advancing education

	2019	2018
	£	£
<i>Other grants and donations advancing education</i>		
Advancing education - Food & Farming Discovery Trust	22,500	-
Advancing education - Sense About Science Trust	3,000	2,500
Advancing education - Rutlish Foundation	1,000	1,000
Advancing education - John Innes Society	500	500
Advancing education - JIC Undergraduate Summer School	12,030	12,030
Advancing education - JIC Women of the Future	2,000	2,000
Advancing education - JIC Mark Youles Butterfly Research	4,800	4,800
Advancing education - Agricultural Bursaries	15,875	4,625
	61,705	27,455

6. Analysis of support and overhead costs

	2019	2018
	£	£
<i>Support and overhead costs</i>		
Trustee costs and expenses including meetings	47,322	24,834
Clerk to Trustees and Financial Administration	48,635	41,438
Auditors remuneration	9,984	10,532
Legal fees	1,515	7,961
Insurances	5,843	4,619
Other costs	6,802	309
	120,101	89,693

7. Governance costs

	2019	2018
	£	£
Trustees' remuneration	36,251	16,875
Trustees' indemnity insurance	4,703	4,619
Trustees' and clerk's expenses	5,477	3,826
Auditor's remuneration	9,984	10,532
Legal fees	1,515	7,961
Administrators fees	48,270	41,031
Other Accounting fees	365	407
Other support costs	3,971	309
	110,536	85,560

8. Trustees remuneration

	2019	2018
	£	£
P D Innes	10,000	5,000
Prof I R Crute	5,000	2,500
K R Norman	6,251	2,500
D Lawrence	5,000	2,500
D M Hill	5,000	2,500
Dr T L Barsby	5,000	1,875
	36,251	16,875

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

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

The 6 trustees (2018: 6) incurred an aggregate sum of £11,071 (2018: £7,960) for travel expenses and meeting costs.

Directors and officers liability insurance of £4,703 (2018: £4,619) was incurred in the year.

There are considered to be no other Key Management Personnel in addition to the Trustees.

9. Consolidated tangible fixed assets

Consolidate Tangible fixed assets - land & buildings	Unrestricted funds	Endowment funds	Total funds 2019
	£	£	£
Cost at 1 April 2018	13,002,039	2,960,500	15,962,539
Additions	-	-	-
Disposals	-	-	-
At 31 March 2019	13,002,039	2,960,500	15,962,539
Depreciation at 1 April 2018	8,205,476	1,417,400	9,622,876
Charge for the year	263,523	74,600	338,123
At 31 March 2019	8,468,999	1,492,000	9,960,999
Net book value at 31 March 2018	4,796,563	1,543,100	6,339,663
Net book value at 31 March 2019	4,533,040	1,468,500	6,001,540

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

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

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

In the year ended 31 March 2018, the Trustees gave further consideration of the carrying value of the Earlham Institute and have concluded that the carrying value of this does not exceed the net realisable value or its value in use. This remains unchanged as of 31st March 2019.

10. Charity aggregated tangible fixed assets

The narrative given in note 9 with regard to consolidated fixed assets is equally applicable to those held by the Charity aggregated with the trust.

Aggregated Tangible fixed assets - land & buildings	Unrestricted funds	Endowment funds	Total funds 2019
	£	£	£
Cost at 1 April 2018	10,973,314	2,960,500	13,933,814
Additions	-	-	-
Disposals	-	-	-
At 31 March 2019	<u>10,973,314</u>	<u>2,960,500</u>	<u>13,933,814</u>
Depreciation at 1 April 2018	6,176,751	1,417,400	7,594,151
Charge for the year	263,523	74,600	338,123
At 31 March 2019	<u>6,440,274</u>	<u>1,492,000</u>	<u>7,932,274</u>
Net book value at 31 March 2018	<u>4,796,563</u>	<u>1,543,100</u>	<u>6,339,663</u>
Net book value at 31 March 2019	<u>4,533,040</u>	<u>1,468,500</u>	<u>6,001,540</u>

11. Investments

Fixed Asset investments	Unrestricted funds £	Endowment funds £	Total funds 2019 £	Total funds 2018 £
Listed investments				
Market value b/f	3,552,099	14,661,360	18,213,459	18,567,169
Capital introduced	-	(2,000,000)	(2,000,000)	-
Management fees	(11,759)	(93,098)	(104,857)	(80,903)
Additions at cost	261,825	3,666,194	3,928,019	1,363,984
Disposals at carrying value	(337,364)	(1,879,695)	(2,217,059)	(1,639,090)
Gain (loss) on investments	299,498	3,209,765	3,509,263	2,299
Market value c/f	3,764,299	17,564,526	21,328,825	18,213,459
Investment in AIP LLP subsidiary undertaking	1,083,001	-	1,083,001	1,083,001
Less provision for losses	(250,001)	-	(250,001)	(250,001)
Net value	833,000		833,000	833,000
Development land				
Market Value b/f	-	15,798,890	15,798,890	16,061,214
Disposal proceeds	-	(16,296,272)	(16,296,272)	-
Disposal costs	-	499,124	499,124	-
Net gain (loss) on revaluation	-	(1,742)	(1,742)	(262,324)
Market Value c/f	-	-	-	15,798,890
Total fixed asset investments	4,597,299	17,564,526	22,161,825	34,845,349
Analysis of portfolio investment gains / losses	Unrestricted funds £	Endowment funds £	Total funds 2019 £	Total funds 2018 £
Gain (loss) on investments	299,498	3,209,765	3,509,263	2,299
Management fees	(11,759)	(93,098)	(104,857)	(80,903)
Brokers Capital Cash Accounts b/f	12,956	340,125	353,081	158,878
Capital introduced	-	(2,000,000)	(2,000,000)	-
Less Brokers Capital Cash Accounts c/f	(76,736)	(460,528)	(537,264)	(353,082)
Net gain (Loss) for year	223,959	996,264	1,220,223	(272,808)
Investment portfolio consists of:			2019 £	2018 £
Equities			15,641,075	13,149,244
Fixed interest securities			2,563,783	2,143,753
Alternative investments			2,586,703	2,547,158
Cash			537,264	373,304
Total			21,328,825	18,213,459

Note 11 continued

Investments	2019		2018	
	Group	Charity & Trust	Group	Charity & Trust
	£	£	£	£
Investment in AIP LLP	833,000	-	833,000	-
Investment in subsidiary undertakings	-	1,083,001	-	1,083,001
Less provision against investment in subsidiaries	-	(250,001)	-	(250,001)
Development land Newfound Farm	-	-	15,798,890	15,798,890
UK quoted and unquoted investments	20,791,561	20,791,561	17,860,378	17,860,378
Uninvested cash held by investment managers	537,264	537,264	353,081	353,081
	22,161,825	22,161,825	34,845,349	34,845,349

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

The investment portfolios are balanced funds with no single shareholding more than 2.2 % (2018: 2.3%) of total fund value.

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

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

John Innes Bioprospects Limited did not trade in the year and has net assets of £833,000 (being the investment in AIP LLP).

Application made to strike off John Innes Agriculture as no longer required. The company was dissolved on 8th October 2019.

12. Analysis of current and non-current assets

Analysis of current assets Consolidated and Charity aggregated	Unrestricted funds £	Endowment funds £	Total funds 2019 £	Total funds 2018 £
<i>Debtors under 1 year:</i>				
Prepayments and accrued income	84,138	-	84,138	65,692
Trade debtors	30,698	-	30,698	379
Sundry debtors - Newfound Farm sale proceeds	-	3,216,102	3,216,102	-
Provision for bad debts	-	-	-	-
Tax and social security	-	-	-	-
Cash at Bank	711,887	7,812,516	8,524,403	3,085,860
	826,723	11,028,618	11,855,341	3,151,931

Debtors over 1 year:

Sundry debtors - Newfound Farm sale proceeds	-	5,393,421	5,393,421	-
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	2019		2018	
	Group £	Charity & Trust £	Group £	Charity & Trust £
<i>Debtors under 1 year:</i>				
Prepayments and accrued income	84,138	84,138	65,692	65,692
Trade debtors	30,698	30,698	379	379
Sundry debtors - Newfound Farm sale proceeds	3,216,102	3,216,102	-	-
Provision for bad debts	-	-	-	-
Tax and social security	-	-	-	-
Cash at Bank	8,524,403	8,524,403	3,085,860	3,085,860
	11,855,341	11,855,341	3,151,931	3,151,931

Debtors over 1 year:

Sundry debtors - Newfound Farm sale proceeds	5,393,421	5,393,421	-	-
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Sundry debtors Newfound Farm sale proceeds are discounted at a rate of 6% per annum having regard to rates of return on investments

13. Analysis of current and long-term liabilities

Analysis of current liabilities Consolidated and Charity aggregated	Unrestricted funds £	Endowment funds £	Total funds 2019 £	Total funds 2018 £
<i>Creditors under 1 year:</i>				
Trade creditors	1,227	-	1,227	15,933
Sundry creditors – Newfound Farm disposal costs	-	59,022	59,022	-
Tax and social security	3,084	-	3,084	1,456
Committed grants	114,266	-	114,266	-
Other accruals and deferred income	69,213	274,844	344,057	556,142
	<u>187,790</u>	<u>333,866</u>	<u>521,656</u>	<u>573,531</u>

<i>Creditors over 1 year:</i>				
Sundry creditors – Newfound Farm disposal costs	-	99,157	99,157	-
Committed grants	274,479	-	274,479	-
Other accruals and deferred income	7,000	-	7,000	14,000
	<u>281,479</u>	<u>99,157</u>	<u>380,636</u>	<u>14,000</u>

Analysis of current liabilities	2019		2018	
	2019 Group £	Charity & Trust £	2018 Group £	Charity & Trust £
<i>Creditors under 1 year:</i>				
Trade creditors	1,227	1,227	15,933	15,933
Sundry creditors – Newfound Farm disposal costs	59,022	59,022	-	-
Tax and social security	3,084	3,084	1,456	1,456
Committed grants	114,266	114,266	-	-
Other accruals and deferred income	344,057	344,057	556,142	556,142
	<u>521,656</u>	<u>521,656</u>	<u>573,531</u>	<u>573,531</u>
<i>Creditors over 1 year:</i>				
Sundry creditors – Newfound Farm disposal costs	99,157	99,157	-	-
Committed grants	274,479	274,479	-	-
Other accruals and deferred income	7,000	7,000	14,000	14,000
	<u>380,636</u>	<u>380,636</u>	<u>14,000</u>	<u>14,000</u>

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



14. Contingent assets and liabilities

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

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

At 31 March 2019 the contract for the sale of approximately half of the total area of Newfound Farm, comprising 66 acres, to BDW Trading includes a contingency to fund up to £1m of required improvements to the Thickthorn interchange, Cringleford. This is a condition of the planning permission obtained by BDW but is dependent on Highways England for implementation. There is also a contingency for £500,000 for the provision of a playing field on the adjacent land held under an option by BDW if development is not commenced elsewhere in Cringleford by another developer BlueSky Developments. Trustees consider that this contingency is unlikely to be required. Regarding the Thickthorn interchange, there is currently insufficient information to establish the likelihood or amounts that might fall due.

If either liability does arise this will be deducted from the final payment due from Barratt Developments.

Trustees are appraising a charitable grant to a project proposal that would potentially result in investment of £4.5m. £2.25m potentially due July 2022, and balance of £2.25m July 2023. This would be funded from existing resources.

There were no Contingent Liabilities relating to either the group or the Charity and trust in 2018.

15. Post Balance Sheet Events.

A UEA Development Fellowship has been agreed in the sum of £750,000 payable over 5 years with the first installment of £12,000 paid July 2019. This will be accounted for in 2019/20.

16. Analysis of net assets between funds

Group and Aggregated Charity:	Unrestricted general fund	Charitable Trust endowment fund	Total
	£	£	£
Balance as at 1 April 2018	9,697,132	34,052,280	43,749,412
Net outgoing resources	(433,298)	(24,760)	(458,058)
Net movement in invested funds (Note 11)	223,959	(12,802,626)	(12,578,667)
Disposal of investments	-	15,797,148	15,797,148
Cash transferred to investments	-	(2,000,000)	(2,000,000)
Balance as at 31 March 2019	9,487,793	35,022,042	44,509,835

17. Group and Charity aggregated analysis of charitable funds

	Bal B/fwd	Income	Expenditure	Gains/Losses	Fund C/fwd
	£	£	£	£	£
Endowment funds	34,052,280	155,000	179,760	994,522	35,022,042
Unrestricted funds	9,697,132	815,228	1,248,526	223,959	9,487,793
Total	43,749,412	970,228	1,428,286	1,218,481	44,509,835

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

	2019	2018
	£	£
Net movement in funds	760,423	(1,377,275)
Add back losses / deduct gains on investments	(1,218,481)	535,131
Investment income	(657,092)	(647,656)
Add back depreciation charge	338,123	338,123
Deduct Investment Management Fees paid from Broker Capital Accounts	104,857	80,903
Decrease (increase) in debtors	(48,765)	39,711
Increase (decrease) in creditors	156,582	504,466
Net cash used in operating activities	(564,353)	(526,597)

The movement in debtors and creditors is net of sundry debtors and sundry creditors (Notes 12 and 13) and which relate to future dated transactions in respect of Newfound Farm sale proceeds and costs of sale.

19. Related party transactions

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

Transactions between the charitable company and the trust during the year have been as follows:

- The charitable company, as part of the hive up from John Innes Bioprospects limited, had a lease of land from the trust on which the Genome Centre has been constructed. The terms of that lease originally called for a ground rent of £100,000 per annum that was waived by the trust. A new lease came into force 2 March 2015 with John Innes Foundation as landlord in its capacity as sole trustee of John Innes Foundation Trust and tenant The Genome Analysis Centre since renamed Earlham Institute to 30 November 2030. Rent currently £100,000 per annum with 5 yearly rent reviews.
- Pursuant to the 2005 Scheme the charitable company is entitled to all income arising on the trust's property and investments from 4 November 2005.

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

Note 19 continued

Transactions between the entities can be summarised as follows:

Paid by the Foundation to John Innes Centre:

	2019	2018
	£	£
Grants for studentships	321,500	308,000
Grant for staff welfare	12,000	12,000
Grants for professional salaries	2,009	-
Grant for administration salaries	12,045	11,955
Grant for Chris Leaver Fellowship	410,960	-
Advancing education - JIC Undergraduate Summer School	12,030	12,030
Advancing education - JIC Women of the Future	2,000	2,000
Advancing education - JIC Mark Youles Butterfly Research	4,800	4,800
JIC Field Trials Centre Grant	-	500,000
JIC Planscape Grant	-	8,674
JIC total	777,344	859,459

In 2015/16, JIF completed a lease dated 27th July 2015 to JIC for terms of 60 years from 27th July 2015. No rent is levied on this letting which is compliant with JIF's charitable objectives.

A balance of £968 (2018: £11,663) was outstanding to JIC at the year end.

During the year John Innes Foundation received £45,438 (2018: £36,748) ground rents from Anglia Innovation Partnership LLP ('AIP LLP') an entity the group holds an investment in. A balance of £Nil (2018: Nil) was outstanding at the year end. A grant of £25,000 (2018: 248,826) was made to AIP LLP was made for the provision of a creche available to the employees of all institutes at Norwich Research Park.

20. Members liability

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