



John Innes Centre

*Unlocking Nature's Diversity*

Annual Report and  
Accounts for the year  
ended 31 March 2015

# ANNUAL REPORT

The trustees have pleasure in presenting their annual report and audited accounts for the year to 31 March 2015. This comprises a science report from our Director, Dale Sanders, a report from the Trustees and the audited financial statements.

**Stuart Holmes**

Chairman

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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 Trustees' Report and Financial Statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities ("SORP 2005"), applicable United Kingdom accounting standards, the Charities Act 2011 and the Companies Act 2006.

# Introduction to the Annual Report

The last financial year has been an exceptional year for the John Innes Centre, with scientific discoveries in areas that underpin understanding in plant and microbial science, and address global food security and human health.

The scientific quality and success of our four Institute Strategic Programmes was recognised and endorsed in a mid-term review by our primary funder, the Biotechnology and Biological Sciences Research Council (BBSRC). Over the financial year we have had an exceptionally strong success rate in winning competitive grant income.

We have strengthened our science base with appointments of exceptional new project leaders. Our scientists have been recognised for their scientific excellence, career achievements and contributions to women in scientific careers.

The strength of JIC's scientific research, teamed with our long track record of training outstanding graduate students in life sciences, were key factors in the award of a £12.5m Doctoral Training Partnership for the biosciences institutes on the Norwich Research Park. JIC was the lead partner in the bid for the scheme, which will fund 125 PhD students over the next five years.

We have strengthened scientific partnerships between the UK and China by establishing an international Centre of Excellence for Plant Science and Microbiology in Shanghai and Beijing. At the Centre, scientists will collaborate to investigate challenges in agriculture and human health. The Centre is a partnership between the John Innes Centre, the Shanghai Institute of Plant Physiology and Ecology and the Institute of Genetics and Developmental Biology in Beijing, both Chinese Academy of Sciences Institutes, developed with support from the BBSRC.



As we consider a new five-year scientific funding cycle, we opened a public dialogue to engage people on those areas the public would like us to take into account when planning our science programmes. BBSRC and the Sciencewise are partnering the John Innes Centre in the dialogue.

We start the next financial year as we leave this one – with a healthy and robust science programme, a vibrant community of early-career and experienced researchers and a highly-skilled team delivering excellent results for the UK and internationally.

## **Dale Sanders FRS**

Director, John Innes Centre

# RESEARCH



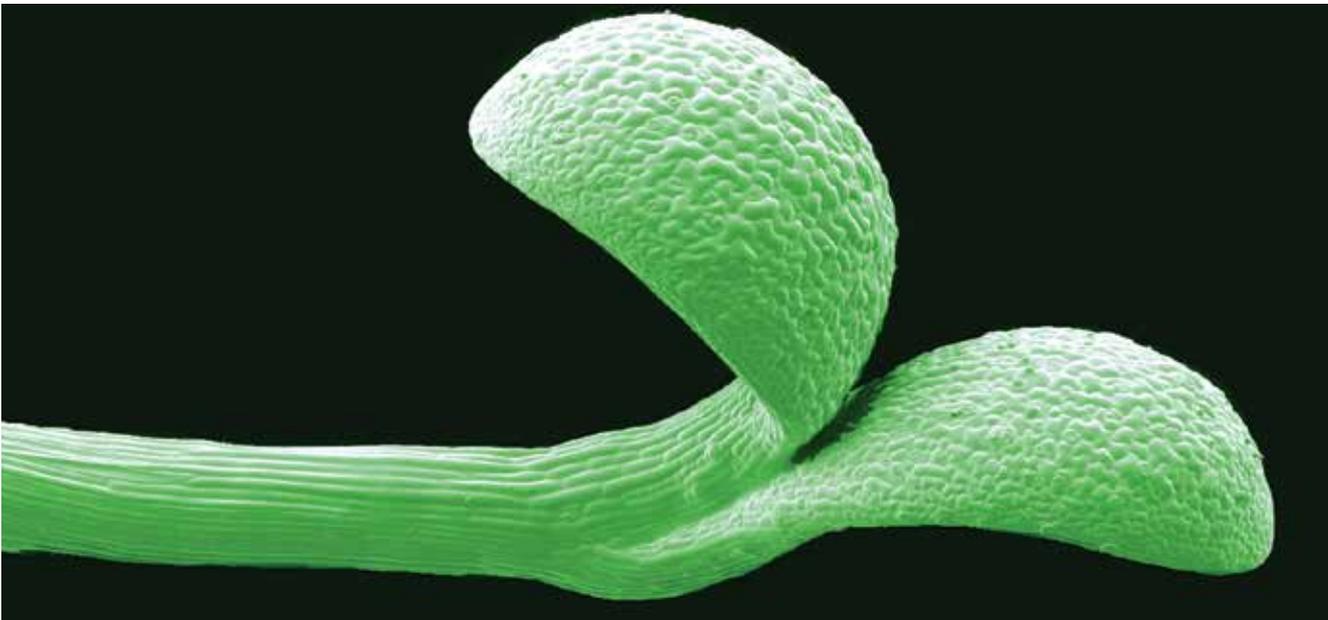
## Biotic Interactions For Crop Productivity (BIO)

### **The scientific challenge:**

To understand the complex interplay that occurs in interactions between plants and other organisms and to define how this leads to symbiosis, disease or resistance

### **The strategic challenge:**

To reduce crop losses caused by pests and pathogens and to enhance the use of beneficial symbionts in sustainable agriculture



## Growth and Development Underpinning Yield (GRO)

### **The scientific challenge:**

To enhance our understanding of plant growth and development

### **The strategic challenge:**

To improve the yield and adaptability of crop plants within a diverse and sustainable environment

# PROGRAMMES



## Strategic Cross-Institute Research Programme for Wheat Improvement (WISP)

### **The scientific challenge:**

To enhance the exploitation of diversity in wheat breeding by developing pre-breeding germplasm characterised for key traits and identifying markers for selection

### **The strategic challenge:**

To construct experimental crosses, genotyped and phenotyped to facilitate genetic dissection of target traits



## Understanding and Exploiting Plant and Microbial Metabolism (MET)

### **The scientific challenge:**

To discover and understand the control of pathways of primary metabolism and synthesis of valuable natural products

### **The strategic challenge:**

To apply this new knowledge for the benefit of agriculture, bio-based industries and human health

# STRATEGIC REPORT

OUR **SUCCESS RATE** WITH  
COMPETITIVE RESEARCH  
**GRANT APPLICATIONS** TO  
BBSRC REMAINED HIGH AT

**48%**  
by number

JIC CONTRIBUTES  
**£11.99**  
BACK TO THE UK  
ECONOMY **FOR EVERY**  
**£1 INVESTED**

## Global surveillance on cereal killers

Scientists can now track Yellow Rust – one of the world's most devastating wheat diseases – across continents with a new surveillance method to analyse the DNA of field samples of the pathogen. **Dr Diane Saunders** and **Dr Cristobal Uauy's** method lets scientists rapidly generate data on the spread of different strains of the pathogen. The John Innes Centre, The Sainsbury Laboratory and The Genome Analysis Centre are working collaboratively to tackle rust fungi. The new Norwich Rust Group brings together seven scientific teams from these leading institutes and works with 52 collaborators across 23 countries.



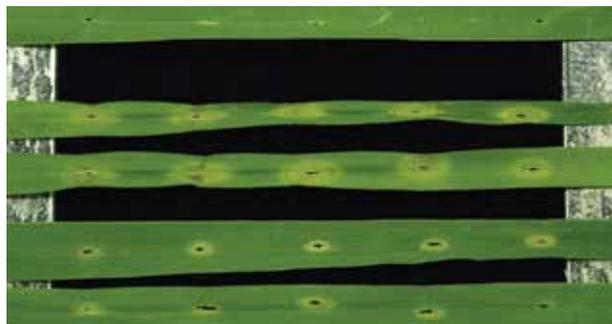
## Biosynthesis of anti-cancer compounds

**Professor Sarah O'Connor** successfully engineered one of the longest chemical pathways into yeast to make Strictosidine, an intermediary to the anti-cancer compounds Vinblastine and Topotecan. Professor O'Connor aims to make yeast capable of producing Strictosidine more efficiently and cheaply than current plant production methods.



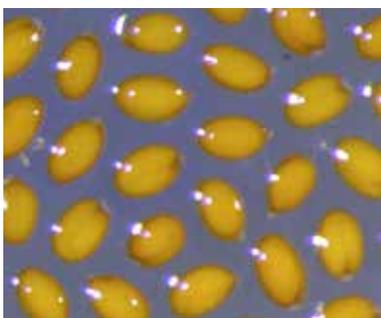
## Wild relative gene exchange

The genetic mechanism controlling wheat breeding has been uncovered by a team of scientists led by **Professor Graham Moore**. The team discovered how the *Ph1* region of the wheat genome controls genetic exchange. This discovery could lead to ways for breeders to temporarily 'turn off' *Ph1*.



## Pathogen sensing 'antenna' gene transferred to wheat

Scientists successfully transferred a receptor to recognise bacteria from the model plant *Arabidopsis thaliana* to wheat. The receptor is capable of triggering a defence response in wheat and confers increased resistance to bacterial disease. **Dr Chris Ridout** led the research, which took place at John Innes Centre, the National Institute of Agricultural Botany and The Sainsbury Laboratory.



## Mother plants pass season memory to seeds

Dr Steve Penfield has found that 'mother' plants remember the seasons and use this memory to teach their seeds the time of year, telling them when they should germinate. He found that the mother plant plays an important role in sensing temperature and forms a long term temperature memory which enables seeds to determine time of year and ensure that their growth and development is coordinated with the seasons.

# Science Spotlights



## New research offers clue for 'the abominable mystery'

**Professor Lars Østergaard** and **Dr Laila Moubayidin** have discovered an unusual role for the plant hormone auxin in the development of the female organs of the flower. Two genes directly affecting auxin distribution control a transition from radial symmetry to bilateral symmetry in early embryo development.



## Why flowers bloom earlier in warmer climate

Scientists at the John Innes Centre have discovered why the first buds of spring come increasingly earlier as the climate changes. **Dr Steven Penfield** found that plants have an ideal temperature for seed set. They flower at a particular time of year to make sure their seed develops just as the weather warms to this 'sweet spot' temperature.

## Sporulation mystery solved

Scientists in **Professor Mark Buttner's** group, studying how *Streptomyces* bacteria produce spores, identified the mystery signalling molecule that orchestrates the process of sporulation and also the unique way in which it works. The signalling molecule is also essential to the bacteria's development. *Streptomyces* are soil-dwelling bacteria that give rise to half the world's antibiotics in use today.



## Scientists mine plant genomes for valuable chemicals

**Professor Anne Osbourn**

led research to scour

the genome sequences of 17 plant species to find genes that could help produce high-value chemicals called terpenes on a large scale. Many terpenes have important uses in industry and medicine, including widely prescribed cancer drugs and anti-malarials. In the future this may lead to significantly cheaper production of these important compounds.



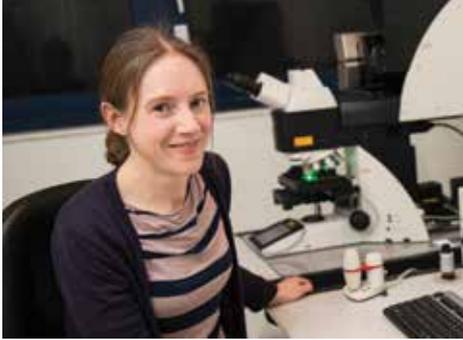
## Wild grass targets for wheat and barley breeding research

**Dr Paul Nicholson's**

lab has made a breakthrough that could lead to new, high-yielding, disease-resistant

crop varieties. Their research suggests that the wild grass *Brachypodium distachyon* is an ideal model for studying disease resistance traits in wheat and barley, as it acts as a host to many of those crops' fungal pathogens.

# New Appointments



**Dr Christine Faulkner's** research focuses on intercellular communication, addressing questions of how plant cells communicate when under attack from a pathogen. Her work will lead to new strategies to enhance plant defence responses.

**Dr Steven Penfield** is using molecular, genetic and computational approaches to understand the role of seed behaviour in seasonal life history generation. He aims to use this knowledge to engineer crop seeds to be less sensitive to the seed production environment, and is working with industrial partners to achieve this.



**Dr Yiliang Ding's** research focuses include the role of RNA structure in the post-transcriptional regulation of gene expression and exploring how RNA structures alter in response to environmental changes. Her lab developed two novel and powerful platforms to study RNA structure *in vivo*.

**Dr Xiaoqi Feng** will aim to dissect the mechanisms by which genetic and epigenetic factors shape the function and fate determination of the male sexual lineage. This work is vital for our understanding of sexual reproduction in plants, as well as of how a specialised lineage of cells develops. Her work has important implications for improving crop fertility and yield.



**Dr Brande Wulff** is studying various structured populations of wheat to identify genes restricting the causal agents of wheat stem rust and *Septoria tritici* blotch, two major fungal diseases of wheat. He seeks to translate this knowledge into practical solutions for genetic disease control in agricultural systems in the UK and worldwide.

**Dr Scott Boden** begins a five-year research fellowship. His work will focus on developmental pathways of flowering and plant morphology in wheat and barley. He is particularly interested in the development of wheat spikelets. If the architecture of the spikelets can be optimised, along with the duration of inflorescence development, grain yield can be increased.



# New Appointments



Postdoctoral researchers **Dr Philippa Borrill** and **Dr Sebastian Eves-van den Akker** have been awarded BBSRC Anniversary Future Leader Fellowships. Dr Borrill aims to understand the process of senescence throughout the plant: from the dying leaves to the developing grain. Dr Eves-van den Akker will work on the functional interactions between nematode pathogen effectors and their host plant targets.



**Geraldine Platten** joins the External Relations team with significant experience in press and strategic communications. Her background includes communicating science on behalf of Defra, the Department for International Development, and the Department for Education and Skills. Her experience includes communicating the UK's policy on Africa and the media handling of GM issues.

## Science Communication



### The Innes Lecture: Mendel the Fraud?

**Professor Gregory Radick**, Director of the Leeds Humanities Research Institute and Professor of History and Philosophy of Science at Leeds University, gave the 2015 Innes Lecture on Gregor Mendel's famous garden pea experiments. In 1865 Mendel presented his 'Experiments on Plant Hybridization.' Mendel's story gives an insight into the collective nature of truth-telling and knowledge-making in science.

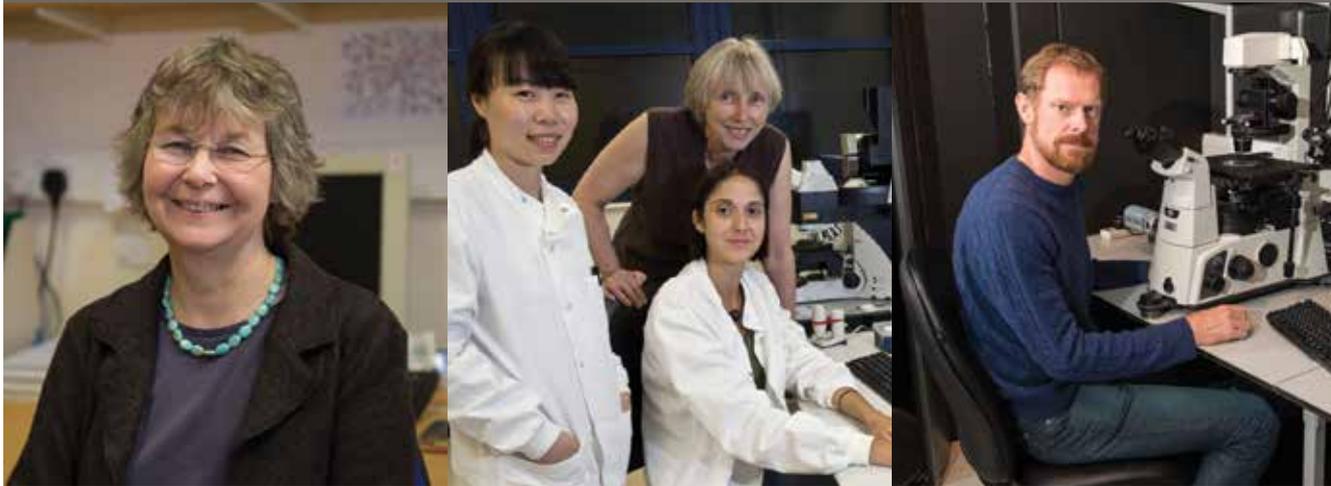
### The Lamb lecture: Food & Civilization with Professor Nina Fedoroff

In the 2015 Lamb Lecture, **Professor Nina Fedoroff**, former science and technology adviser to the US Secretary of State and the US agency for international development, took a historical view of food production over human history and a glance at current trends. Professor Fedoroff asked what we need to do to produce enough food for the more than 10 billion expected for dinner before the century's end. Professor Fedoroff is a recipient of the US National Medal for Science in Biological Sciences, the US's highest award for lifetime scientific achievement.



### Antibiotic Hunters

Antibiotic Hunters from JIC and the University of East Anglia were out in force at the Big Bang Fair talking to some of the 75,000 visitors. They also took their exhibit to the BBSRC's Great British Bioscience Festival with its 6,500 visitors. A game simulating the hunt for new antibiotics in sand, sea and soil proved popular with younger visitors.



## Thompson Reuters highly cited scientists

Three scientists from the John Innes Centre in Norwich have been named in the top 1% of highly cited scientists across the world: **Professor Alison Smith**, **Professor Caroline Dean** and **Professor Giles Oldroyd**.

## Professor Caroline Dean wins BBSRC Award for Excellence in Bioscience and EMBO | FEBS Women in Science Award

The BBSRC award recognises **Professor Caroline Dean's** illustrious plant science career. In particular, she is celebrated for her pioneering role in the uptake and development of *Arabidopsis thaliana* as a model species for plant research to advance understanding in the field of epigenetics. In March, Professor Dean gave the BBSRC Excellence in Bioscience Award Lecture to mark her award. She spoke on how plants know when it is spring. The talk covered how plants sense and remember winter and how this type of regulation impacts on our lives.

The separate EMBO | FEBS Women in Science award recognises Professor Dean's outstanding contributions to plant biology, in particular for her work to understand how changes in temperature affect the molecular events that control the timing and duration of flowering in plants.



## Dr Anne Edwards is awarded the British Empire medal

**Dr Anne Edwards** was named in the Queen's New Year's Honours List for services to the environment and the public understanding of science.



## Professor George Lomonosoff is awarded the 2015 Colworth Prize Lecture

**Professor Lomonosoff** was recognised for his work on developing the 'hyper-translatable' Cowpea Mosaic Virus expression system, or CPMV-HT for short. This technology, which exploits a modified version of part of a plant virus genome, turns plants into 'factories' capable of producing commercially important proteins on an industrial scale.



### Dr Wendy Harwood awarded Visiting Professorship from Chinese Academy of Sciences

The Visiting Professorship was awarded during **Dr Wendy Harwood's** visit to the Northwest Institute of Plateau Biology, in Xining, where she delivered a training course on wheat and barley transformation.

### How plants erase memories of winter

**Professor Caroline Dean's** research group, working with the Chinese Academy of Sciences, uncovered how plants erase 'memories' of winter, so that each generation of seedlings must feel winter before they can flower. This is achieved by production of a protein that acts as a brake to flowering.



### Progress toward sustainable biological nitrogen fixation

**Professor Ray Dixon** has been working with Chinese scientists to genetically engineer *E. coli* to provide a biologically sustainable source of nitrogen for crops to reduce farmers' reliance on industrial nitrogen fertilisers. This research marks a first step towards new N-fixing bacteria that could be used in synthetic microbial-plant symbioses.

### Collaboration with Indian institutes with BBSRC funding

The BBSRC has awarded grants for two projects for JIC scientists to collaborate with researchers in India. **Professor Cathie Martin** and **Professor Trevor Wang** will lead a project on grass peas to develop varieties with reduced toxicity.

**Dr Brande Wulff**, with colleagues at The Sainsbury Laboratory, will lead a project on potato and wheat disease. The projects are designed to enhance and safeguard food production overseas and in the UK.



## Chris Darby joins the JIC to develop international strategy

**Chris Darby** was appointed as Director of International Strategy and Liaison. His work ensures that both the excellence and impact of science at the John Innes Centre are strengthened by international engagement. The appointment of a Director of International Strategy and Liaison and progress with key scientific collaborations and agreements have strengthened the John Innes Centre's work globally.

With the Chinese Academy of Sciences, JIC is developing a new Centre of Excellence in Plant and Microbial Science, with a planned 10 new project leaders working across the two counties and based in China.

JIC has also deepened and broadened its relationship with Biosciences for East and Central Africa (BECA) enabling scientific collaborations and capacity building, and also launching the Science for Africa fundraising campaign for students from Africa to complete a PhD at JIC.



## Science for Africa

Science for Africa is a JIC initiative to build collaborations with scientists in sub-Saharan Africa and develop scientific projects with relevance to sub-Saharan agriculture. This includes recruiting and training a PhD student from sub-Saharan Africa at the JIC, to promote knowledge exchange and build capacity. **Professor Sir Gordon Conway**, **Dr Juliet Colman** and **Professor Calestous Juma** are patrons of the initiative, and confirmed sponsors include Panasonic, Conviron and Destinations Travel.



**Science for Africa aims to raise funds for a PhD student programme, giving promising students from Sub-Saharan Africa a chance to undertake a PhD here at the John Innes Centre, on a subject of relevance to African agriculture.**

### Donate online with VirginMoneyGiving

To make a donation online, head to the Science For Africa campaign page on **VirginMoneyGiving** <http://uk.virginmoneygiving.com/fund/scienceforafrica>

### Donate by text with JustTextGiving

You can donate £3, £5 or £10 via text via JustTextGiving. To donate, text SCFA15 plus the amount, to 70070. For example, to donate £3, text "SCFA15 £3" to 70070

### Donate through EasyFundraising.org.uk

All you have to do is:

1. Go to <http://www.easyfundraising.org.uk/causes/johninnescentre>
2. Sign up for free
3. Get shopping - your donations will be collected by easyfundraising and automatically sent to Science for Africa. Shop online at your favourite store, and raise money at no cost to you. Retailers will give us a commission on your purchases.

## JIC-led studentship programme receives £12.5m investment

The successful bid will support the training of 125 PhD students across the Norwich Research Park. Five partners across the NRP made the application: JIC, which led the bid, The Sainsbury Laboratory, The Genome Analysis Centre, the Institute of Food Research and the University of East Anglia. An additional £3.5m from the five partners will boost the number of students further to a total of 161.



## Human Frontier Science Program funding

A recent HFSP grant will allow **Professor Saskia Hogenhout** to examine complex interactions between parasites, insect vectors, and hosts. The grant will allow her to use an interdisciplinary approach and multi-scale modelling framework, from molecular to ecological scale. Professor Hogenhout's lab is one of the few worldwide to study this triangular ecological and evolutionary interdependence.

## Agri-Tech partnership

The John Innes Centre has become one of the first academic partners to join Agri-Tech East – a membership based organisation led by JIC alumnus **Dr Belinda Clarke** that brings together crop growers with scientists, technologists, entrepreneurs, and investors in the East of England.



In response to the Government's agritech strategy, JIC led one application, were partners on another and provided support for a third expression of interest for an Agriculture Innovation Centre. This saw JIC building networks with new partners in the imaging, informatics and avionics sectors.

## Enterprise funding for barley beer brewing

Scientists are developing a new business concept based on expertise in growing heritage lines of barley for brewing quality beers. Crop geneticist **Dr Sarah de Vos** was awarded a BBSRC/Royal Society of Edinburgh Enterprise Fellowship to develop the idea.



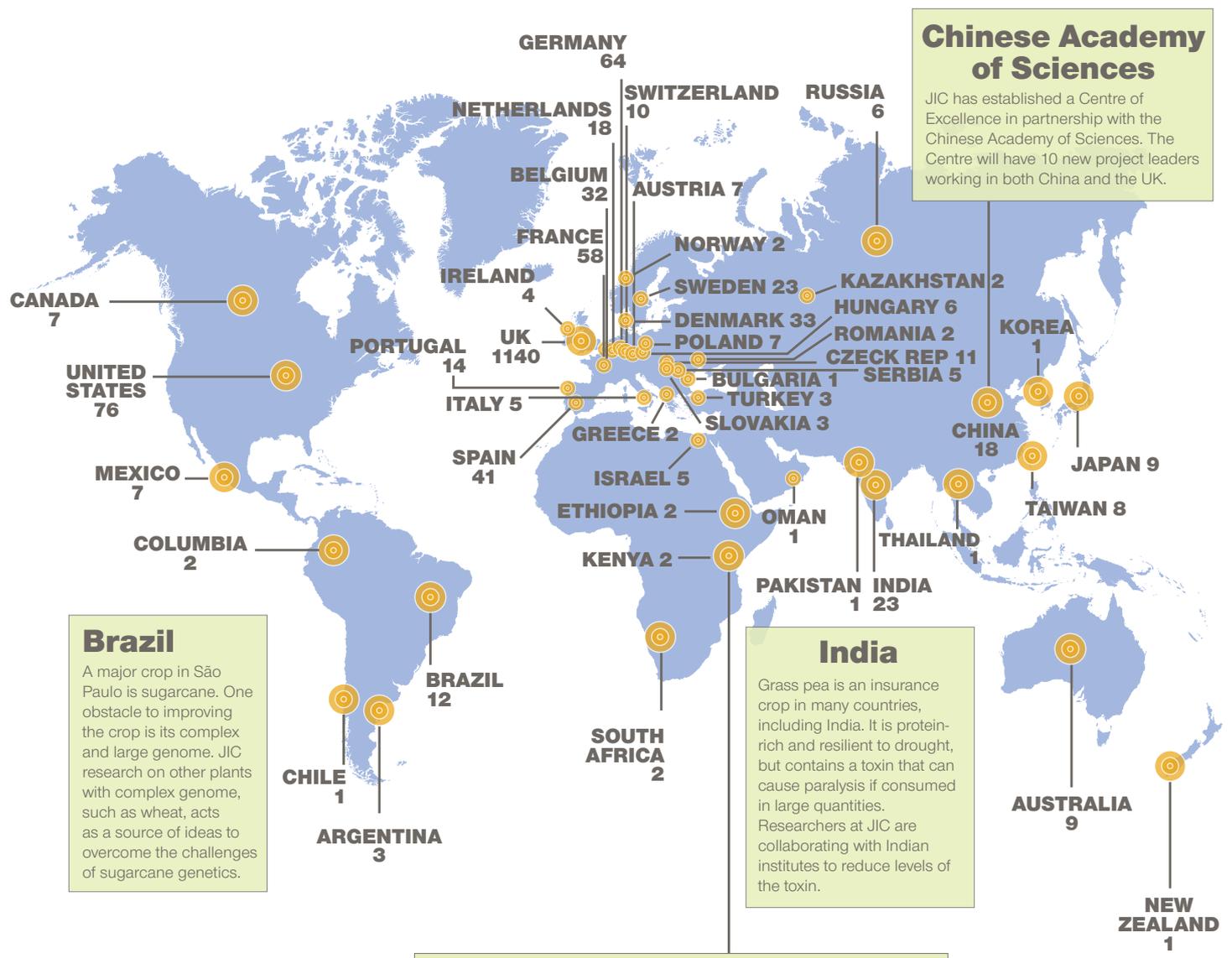
**imaginè**  
Plant and microbial science delivering  
a sustainable future across the globe

## A vision for science in the future

A vision for JIC science for the next 25 years has driven thinking behind future funding applications for new research facilities. The discussions considered the opportunities for JIC science offered by emerging technologies, and how to integrate scientific disciplines to meet challenges facing food security and antimicrobial resistance.

# ABOUT JIC

## JIC COLLABORATIONS



**Chinese Academy of Sciences**  
 JIC has established a Centre of Excellence in partnership with the Chinese Academy of Sciences. The Centre will have 10 new project leaders working in both China and the UK.

**Brazil**  
 A major crop in São Paulo is sugarcane. One obstacle to improving the crop is its complex and large genome. JIC research on other plants with complex genome, such as wheat, acts as a source of ideas to overcome the challenges of sugarcane genetics.

**India**  
 Grass pea is an insurance crop in many countries, including India. It is protein-rich and resilient to drought, but contains a toxin that can cause paralysis if consumed in large quantities. Researchers at JIC are collaborating with Indian institutes to reduce levels of the toxin.

**Biosciences for Eastern and Central Africa BECA**  
**Nitrogen Fixation for Wheat**  
 This research programme aims to exploit our knowledge of how peas interact with nitrogen-fixing bacteria to work towards the long-term goal of transferring this capability to cereals. This would dramatically reduce need for fertiliser, increase yields, and improve food security for nearly half a billion people.

## LOOKING FORWARD

### Mission

JIC's mission is to generate knowledge of plants and microbes through innovative research; to apply knowledge to benefit agriculture, the environment, human health and well-being; to train scientists for the future; and engage with policy makers and the public.

### Strategy

JIC's key strategic aims are:

- i. To deliver world-leading research and to develop opportunities for innovative and long-term research in plant and microbial sciences. A central principle of JIC's research is the use of genetics, continuing the long and prestigious history of genetics at the JIC.
- ii. To translate research in the areas of yield and quality in crop plants, the use of microbial and plant products to promote human health and the use of plants and microbes in biotechnology.
- iii. To use novel genetic approaches to generate new varieties and strains of plants and microbes that can be used to further knowledge and to enhance productive and biotechnological capacity.
- iv. To apply modern biotechnology to agriculture in an environmentally-sustainable context.
- v. To use a wide range of contemporary approaches to develop dialogue with policy makers and the public.
- vi. To train the scientific leaders of the future in a broad range of scientific and transferable skills.

### Objectives for 2015/16

JIC's principal objectives for the year ended 31 March 2016 are as follows:

1. To continue a world-leading research programme by publishing our scientific research, winning research funding and retaining the brightest and the best Project Leaders.
2. To further develop the JIC long term science vision, seeking and reflecting public opinion into science strategy.
3. To socialise the 'JIC Vision – Next Generation Infrastructure' ahead of developing a business

case to apply for funding opportunities for new research facilities to support this vision.

4. To scope out 5 year research programmes for the 2017-2022 BBSRC Institute Strategic Programme Grant funding bids.
5. To develop a strategy for diversification of income.
6. To develop further our International Strategy by;
  - Recruiting new Project Leaders to work at the Centre for Excellence of Plant and Microbial Sciences (CEPAMS).
  - Furthering the agreement with Bioscience for East and Central Africa (BECA), and progressing the fundraising campaign for the benefit of Sub-Saharan Africa
  - Progressing the formulation of an EU Strategy Signing a MOU with the Chinese Academy of Agricultural Sciences (CAAS)
7. To install Phenospex on the NRP to provide a plant phenotyping platform to support JIC crop science.

### Public benefit

In reviewing JIC's aims, objectives and planning future activities, the Trustees have taken into account the Charity Commission's general guidance on public benefit.

The expertise of JIC scientists has made important contributions to industry and society in the UK and world-wide. These include: the discovery and application of conserved gene order in grasses for cereal improvement; the characterisation of the dominant dwarfing phenotype that underpins improved wheat crop productivity; the understanding and application of flowering time; contributing to the first sequencing of a plant genome and the development of genomic systems for exploiting *Streptomyces*, the principal source of anti-infectives for human health.

It has been independently estimated that JIC research into wheat yield improvements and reducing cereal diseases could be worth £8.7bn per annum at a global level.

(Source: Brookdale Consulting, June 2013)

## FINANCIAL REVIEW

### Income

Total incoming resources for the year were £46.3m (2014: £40.3m). The increase in the year was due to higher grant income (up £1.5m) and additional capital funding (up £5.2m).

Income excluding capital funds was £33.9m (£34.2m), down slightly on the prior year due to lower repairs & maintenance funding (down £1.6m).

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 80% of total incoming resources (2014: 78%). Other major sources of funding were the European Union, charitable organisations and DEFRA.

### Expenditure

Recurrent expenditure for the year amounted to £35.9m (2014: £33.2m). Staff costs accounted for £14.1m (39%) (2014: £12.9m; 39%) of expenditure.

### Net Movement in Reserves

JIC recorded a net increase in unrestricted reserves of £1.4m (2014: £4.6m). The reduction compared to the prior year was due to lower repairs & maintenance funding (down £1.6m), higher staff costs and lower share of associates' results.

Restricted reserves increased by £11.1m (2014: £3.9m). The increase in restricted reserves is principally due to £11.3m of capital funding (2014: £6.1m).

### Subsidiaries and Related Parties

Subsidiary companies contributed a profit of £63,000 before gift aid payments (2014: £78,000), while JIC's share of associates' results was a profit of £19,000 (2014: £361,000). The share of associates' results in the year relates to JIC's 33% interest in Plant Bioscience Limited.

### Capital expenditure

Capital expenditure in the year was £10.3m (2014: £2.7m). Investment has been made in areas related to health and safety compliance, well-found laboratory provision, plant growth facilities, field trials capabilities and strategically important investments in state-of-the-art scientific equipment.

Investment in field trials research capabilities includes the purchase of land at Church Farm, Bawburgh from the John Innes Foundation in March 2015. This investment secures JIC's crop research programme for the foreseeable future and provides a platform on which to build JIC's science and develop new technologies for application in agriculture.

### Cash

Group cash at March 2015 was £30.7m (2014: £32.5m). The reduction in the year reflects the working capital outflow in the year of £4.8m.

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 £330,000 (2014: £237,000).

### Reserves position

Total group reserves increased by £12.5m in the year to £82.2m (2014: £8.5m to £69.7m).

Restricted reserves increased by £11.1m to £58.2m, of which £9.5m relates to a designated capital reserve in connection with funding received from BBSRC to be used for agreed future capital projects and insurance income received in advance of capital purchases.

Unrestricted reserves increased by £1.4m in the year to £23.9m (2014: £22.5m), of which £9.1m relates to a designated capital reserve for planned capital investments and £6.1m to general reserves.

### 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 5-year 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. As at March 2015, £9.1m of unrestricted reserves have been designated in relation to planned capital investment in the 5-year Business Plan.

General unrestricted reserves at March 2015 were £6.1m, in line with the minimum general reserves target of £6.0m set by the Trustees.

### Key Performance Indicators

JIC's key performance indicators are:

- publications in high impact /relevant scientific journals
- submission levels and success rates for research grant proposals
- annual research income
- unrestricted reserves

### Grant proposals

During the year, JIC researchers submitted grant proposals with a sponsor value of £48.2m (2014: £46.4m) and were awarded grants with a value of £16.1m (2014: £13.0m).

### Going Concern

In light of the continued pressure on public sector funding, the Governors have reviewed whether it is still appropriate for the financial statements to be prepared on a going concern basis. Having considered financial forecasts for the period to March 2020, supported by confirmation from BBSRC of the level of strategic funding to March 2016, the Governors have concluded that it remains appropriate to prepare the financial statements on a going concern basis.

## RISK ASSESSMENT AND MANAGEMENT

The Governing Council is responsible for ensuring there are effective and adequate risk management and internal control systems in place to manage the major risks to which the Charity is exposed.

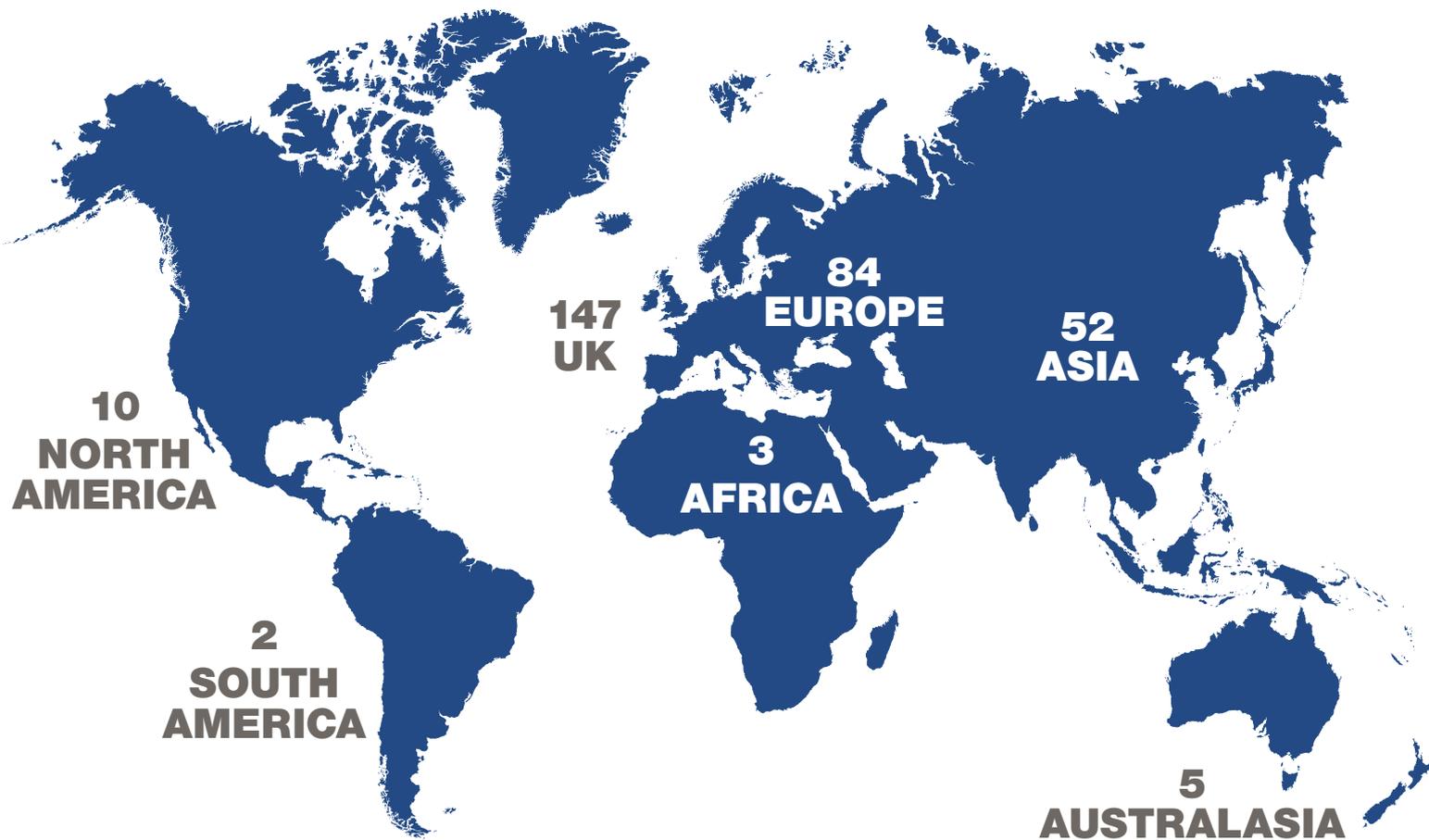
The Audit Committee agrees an annual risk-based internal audit plan which covers major risks identified by management and Trustees. It receives reports from internal auditors on the effectiveness of internal controls, progress against the internal audit plan and progress on recommendations made in reports. The Governing Council reviews a full risk report annually, including a 'heat map' tracking major risks. The Science and Impact Advisory Board (SIAB) also assess the science quality and vision section of the risk register.

### Principal risks and uncertainties

Risk area	Description of Risk	Management of Risk
Future BBSRC research funding	BBSRC strategic funding is reduced as a result of poor performance or public sector spending pressures.	Regular monitoring of scientific performance, including consideration from the Science and Impact Advisory Board. Regular communication with BBSRC to report performance and ensure strategic alignment of research programmes. Monitoring of performance of competitive grant submissions. Discussion at annual SIAB meetings.
Staff retention and recruitment	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.	Strategy and action plans in place, monitored by Strategic Human Resources Group. Career development programmes in place to support high potential staff. Performance Management processes in place. Recruitment strategy and processes in place, including attractive support arrangements.
Estates	JIC's ageing estate facilities do not adequately support the delivery of its scientific objectives. Funding is inadequate to sustain and improve facilities necessary to support scientific objectives. Estates maintenance and infrastructure costs are too high, threatening long-term financial sustainability and the competitiveness of JIC's science.	10-year Estates Strategy in place. 5-year Business Plan includes significant expenditure on Estates to support Estates Strategy. Regular communication with BBSRC on Estates Strategy and potential funding requirements. Facilities management systems are being enhanced. Energy usage data is being enhanced and an energy efficiency plan being implemented.
Technology investment	JIC is unable to keep pace with developments in technology underpinning its science. Funding is inadequate to sustain and improve technology facilities necessary to support scientific objectives.	Long term Technology Strategy being developed. Funding opportunities identified and pursued for technology investments. NRP technology facilities group established to enhance sharing and utilisation of capabilities.
Compliance with sponsor funding requirements	JIC fails to comply with sponsor grant requirements resulting in a material financial impact.	JIC is subject to regular reviews of its grant compliance processes from sponsors and the Research Councils UK internal auditors.
Major site incident	A major incident disrupts scientific research programmes or administrative systems.	Disaster recovery plans in place and tested periodically. Review of compliance with health & safety and relevant regulations from government agencies and internal auditors. Appropriate insurance arrangements in place.

# TRUSTEES' REPORT

## INTERNATIONAL ORIGINS OF JIC STAFF



**21** LANGUAGES  
SPOKEN ONSITE  
BY JIC STAFF

Snapshot figures reflecting those 303 staff who declared their country of origin, excluding visiting workers

## STRUCTURE, GOVERNANCE AND MANAGEMENT

### Members

The Members of JIC are:

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

The Members each have the right to nominate one Governing Council member and appoint one “observer” to attend Governing Council meetings. Details of member appointments are provided 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.

### Organisation and governance

JIC 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, and its Institute Grant Agreement with BBSRC by whom it is strategically funded.

### Governing Council

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:

Trustees	Appointment status	Role	Changes during period
<i>At date of Annual Report:</i>			
Mr S L Holmes	Independent	Chair	-
Prof H G Dickinson	Independent	Science	-
Prof P M Gilmartin	UEA appointment	Science	-
Prof I A Graham	Independent	Science	-
Mr K R Norman	JIF appointment	Non-science	-
Mr D R White	Independent	Non-science	-
Dr D J Keith	Independent	Science	Appointed on 12 May 2015
Mr R J Maskell	Independent	Non-science	Appointed on 22 July 2015
<i>Served during the year:</i>			
Sir A B N Gill CBE	JIF appointment	Non-science	Died on 8 May 2014

### Governing Council

The Governing Council has the ultimate responsibility for the strategy of JIC. Strategy is developed under advice from SIAB and the JIC Strategy Committee.

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 twice a year and the Remuneration Committee at least once a year and otherwise as required.

The Governing Council is also supported by the Science and Impact Advisory Board which comprises international experts in science and application of science, chaired by Prof Ian Graham.

The Science and Impact Advisory Board 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 Governors

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 Executive Team. This is a chance to learn about the Institute and identify opportunities to become more involved with JIC's work.

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

### Trustee remuneration

None of the Governors received any remuneration in the year in respect of their role as trustee directors. During the year, Prof Ian Graham, a Governor of JIC, received £5,000 (2014: £5,000) as chair of JIC's Science and Impact Advisory Board.

## Decision making

The Trustees delegate management of the day to day activities of the charitable company to the Director of the Institute, Professor Dale Sanders, and the executive Strategy Committee.

## Strategy Committee

JIC's executive Strategy Committee 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 (Chair);
- Institute Strategic Programme Leaders;
- Heads of Department Representative;
- Finance Director;
- Head of HR;
- Head of Facilities and Risk Management;
- Head of Contracts;
- Knowledge Exchange & Commercialisation Director;
- External Relations Director;
- Science Operations Manager;
- Head of Directorate;
- Faculty Representative Project Leader.

Strategy Committee is supported by a number of other executive committees and groups including: Research Committee; Finance Committee; Heads of Departments Committee; KEC Committee; External Relations Steering Group; Strategic HR Committee; Equality & Diversity Committee; and Health & Safety 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 The Genome Analysis Centre) 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 Post-Doctoral scientists and independent Fellows from around the world.

## BBSRC Deployed Employees

All staff employed by JIC on 1 October 2011 ("the Deployed Employees") became BBSRC employees and were deployed back to the Institute on 1 December 2011 under conditions set out in the Deployment Agreement. The employees were previously employed by JIC and subject to BBSRC terms and conditions. The agreement ensures that JIC staff affected by this change remain with the Institute on an exclusive and full-time basis and that day-to-day direction and line management of the Deployed Employees are delegated to JIC, subject to the terms of the BBSRC Employment Contract.

JIC retains responsibility for paying employment costs in relation to the Deployed Employees, including basic pay and allowances, contractual payments, tax, NI and pension contributions. JIC does not have any liability for pensions for the Deployed Employees other than for monthly employer contributions, the rate of which are determined by the Government Actuary's Department on a periodic basis.

## Institute Employees

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.

## 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 2014, JIC became the first research institute to be awarded a 'Silver' Athena SWAN award and became one of just five institutional Silver Award holders. 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.

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);
- IDNA Genetics Limited (contract research).

During the year, JIC disposed of its 61% holding in IDNA Genetics Limited. Further details are provided in note 11 to the financial statements.

### 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. The principal terms and conditions under which BBSRC provides its funding is set out in the Institute Grant Agreement. Key conditions include:

- BBSRC and the Institute shall meet at least annually to review and discuss the implementation and progress of the Institute's business, including strategic and financial plans.
- The Institute shall submit a draft Business Plan, covering a period of at least five years, for discussion.
- The Institute will demonstrate appropriate plans for the maintenance, renewal and development of the estate through a rolling 10 year Institute Estates Strategy covering capital projects, long term and routine maintenance.

### 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 £332,000 (2014: £345,000). Further details are provided in note 22 to the financial statements.

### 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.

### 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 (The Institute of Food Research, The Genome Analysis Centre and The Sainsbury Laboratory).

### Norwich Research Partners LLP

JIC became a member of Norwich Research Partners LLP on 7 August 2012 through its 100% subsidiary, JIC NRP Capital Limited. JIC is entitled to receive a share of certain profits generated by NRP LLP, however it has no liability for losses or in the event of insolvency. NRP LLP has not yet generated any profits.

## STATEMENT OF GOVERNORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND FINANCIAL STATEMENTS

The Governors (who are also directors of JIC for the purposes of company law) are responsible for preparing the Governors' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Governors to prepare financial statements for each financial year. Under that law the Governors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws). Under company law the Governors 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 Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in business.

The Governors 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. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Governors confirm that:

- so far as each governor is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Governors have taken all steps that they ought to have taken as governors in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

The governors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom 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 that a trustee is proved to have acted fraudulently or dishonestly.

### Public benefit

The Governors 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 Governors' report, the Governors believe the activities of JIC to be charitable in nature.

### Independent auditor

Grant Thornton UK LLP have been appointed as auditor and a resolution has been passed by the Board, concerning their appointment as auditors.

On behalf of the Governing Council

**Stuart Holmes, Chairman**

9 November 2015

# Independent auditor's report

## TO THE MEMBERS OF JOHN INNES CENTRE

We have audited the financial statements of John Innes Centre for the year ended 31 March 2015 which comprise the consolidated statement of financial activities, the note of consolidated operating surplus on a historical cost basis, the consolidated and charitable company balance sheets, the consolidated cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 its members as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of Governors and auditors

As explained more fully in the Statement of Governors' responsibilities set out on page 24 the Governors (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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at

[www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2015 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.

### Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### 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 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 financial statements are not in agreement with the accounting records or returns; or
- certain disclosures of Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### Anders Rasmussen

Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Norwich

9 November 2015

# FINANCIAL STATEMENTS

## HIGH IMPACT SCIENCE

In the 2014 - 2015 financial year JIC scientists published

**88**

peer-reviewed articles, with

**18**

appearing in **Nature**,  
**Cell**, **PNAS**,  
**PLOS ONE** and  
**Current Biology**

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2015

Incorporating an income and expenditure account

	Note	Unrestricted funds £000	Restricted general funds £000	Restricted capital funds £000	Total 2015 £000	Total 2014 £000
<b>Incoming resources</b>						
<i>Incoming resources from charitable activities</i>						
Grant income		14,655	16,066	-	30,721	29,205
Capital and maintenance grants		-	156	11,315	11,471	7,890
Other charitable income		406	-	-	406	363
<i>Income from generated funds</i>						
Trading income		424	-	-	424	652
Rental income		362	-	-	362	235
Investment income - interest receivable		330	-	-	330	242
Other generated income		1,489	-	1,136	2,625	1,734
<b>Total incoming resources</b>	2	17,666	16,222	12,451	46,339	40,321
<b>Resources expended</b>						
Charitable activities	3	(14,233)	(16,330)	(3,989)	(34,552)	(31,589)
Costs of generating funds	3	(329)	-	-	(329)	(339)
Governance costs	3	(108)	-	-	(108)	(101)
Trading expenditure	3	(354)	-	-	(354)	(638)
Other resources expended	3	(523)	-	-	(523)	(493)
<b>Total resources expended</b>		(15,547)	(16,330)	(3,989)	(35,866)	(33,160)
<b>Operating surplus</b>	6	2,119	(108)	8,462	10,473	7,161
<i>Associates and Minority interest</i>						
Share of operating result of associates	11	19	-	-	19	361
Minority interest	11	4	-	-	4	17
<i>Transfers and revaluation</i>						
Capital transfers		(603)	-	603	-	-
Other transfers		(108)	108	-	-	-
Revaluation of tangible fixed assets	10	-	-	1,999	1,999	929
<b>Net movement in reserves</b>		1,431	-	11,064	12,495	8,468
Reserves brought forward		22,492	-	47,176	69,668	61,200
<b>Reserves carried forward</b>	19	23,923	-	58,240	82,163	69,668

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

The notes on pages 32 to 45 form part of these financial statements

## NOTE OF CONSOLIDATED OPERATING SURPLUS ON A HISTORICAL COST BASIS FOR THE YEAR ENDED 31 MARCH 2015

	Note	Total 2015 £000	Total 2014 £000
Operating surplus		10,473	7,161
Share of operating result of associates	11	19	361
<b>Operating surplus after share of operating results of associates, before minority interest</b>		<b>10,492</b>	<b>7,522</b>
Difference between historical cost depreciation and actual depreciation charge for the year calculated on the revalued amount		636	586
<b>Operating surplus after share of operating results of associates, before minority interest, on a historical cost basis</b>		<b>11,128</b>	<b>8,108</b>
Minority interest	11	4	17
<b>Operating surplus after share of operating results of associates, and minority interest, on a historical cost basis</b>		<b>11,132</b>	<b>8,125</b>

The notes on pages 32 to 45 form part of these financial statements

## CONSOLIDATED AND CHARITABLE COMPANY BALANCE SHEETS AS AT 31 MARCH 2015

	Note	Group 2015 £000	Group 2014 £000	Company 2015 £000	Company 2014 £000
Tangible assets	10	56,586	48,328	56,586	48,328
Investments	11	-	-	1	42
<i>Investments in associates</i>					
Share of total assets		1,274	1,536	-	-
Share of total liabilities		(289)	(570)	-	-
	11	985	966	-	-
<b>Total fixed assets</b>		<b>57,571</b>	<b>49,294</b>	<b>56,587</b>	<b>48,370</b>
<i>Current assets</i>					
Stocks	12	187	200	187	200
Debtors	13	11,877	6,914	12,187	7,050
Cash at bank and in hand	14	30,654	32,505	30,297	32,256
		42,718	39,619	42,671	39,506
<i>Current liabilities</i>					
Creditors: amounts falling due within one year	15	(17,813)	(18,790)	(17,742)	(18,684)
<b>Net current assets</b>		<b>24,905</b>	<b>20,829</b>	<b>24,929</b>	<b>20,822</b>
<b>Total assets less current liabilities</b>		<b>82,476</b>	<b>70,123</b>	<b>81,516</b>	<b>69,192</b>
Provisions for liabilities and charges	17	(313)	(440)	(313)	(440)
<b>Net assets</b>	18	<b>82,163</b>	<b>69,683</b>	<b>81,203</b>	<b>68,752</b>
<b>Funds</b>					
<i>Unrestricted funds</i>					
Fixed assets reserve	19	8,805	6,468	7,880	5,588
Designated capital reserve	19	9,059	-	9,059	-
General reserve	19	6,059	16,024	6,083	16,032
		23,923	22,492	23,022	21,620
<i>Restricted funds</i>					
Fixed assets reserve	19	42,840	38,263	42,781	38,219
Designated capital reserve	19	9,474	4,350	9,474	4,350
Revaluation reserve	19	5,926	4,563	5,926	4,563
		58,240	47,176	58,181	47,132
<b>Total funds</b>		<b>82,163</b>	<b>69,668</b>	<b>81,203</b>	<b>68,752</b>
Minority interest	11	-	15	-	-
<b>Capital employed</b>	18	<b>82,163</b>	<b>69,683</b>	<b>81,203</b>	<b>68,752</b>

JIC includes in its financial statements leasehold land and buildings owned by third parties, that it occupies and enjoys through extended peppercorn leases, at their full value. The Governors 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. The financial statements on pages 27 to 45 were approved by the Governing Council on 9 November 2015 and were signed on its behalf by:

Stuart Holmes, Chairman

Company registration number: 00511709

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2015

	Total 2015	Total 2014
Note	£000	£000
<b>Reconciliation of operating result to net cash inflow from operating activities</b>		
Operating surplus	10,473	7,161
Interest receivable	(330)	(242)
Depreciation	3,989	3,666
Capital grants receivable	(11,315)	(6,139)
(Profit)/Loss on disposal of tangible assets	(1,130)	4
Profit on disposal of investment	(61)	-
Decrease/(Increase) in stocks	13	(30)
Decrease in debtors	2,897	953
Increase in creditors	293	4,355
(Decrease) in provisions	(127)	(60)
<b>Net cash inflow from operating activities</b>	<b>4,702</b>	<b>9,668</b>
<b>Return on investments and servicing of finance</b>		
Interest received	330	242
<b>Net cash inflow from returns on investment and servicing of finance</b>	<b>330</b>	<b>242</b>
<b>Return on investments and financing</b>		
Purchase of tangible assets	(10,340)	(2,667)
Capital grants received	3,455	6,139
Disposal of subsidiary, net cash disposed of	(52)	-
Proceeds from sale of tangible assets	1,222	31
Proceeds from sale of investments	102	-
Loan repayments	(1,270)	(400)
<b>Net cash inflow from investments and financing</b>	<b>(6,883)</b>	<b>3,103</b>
<b>(Decrease)/Increase in cash in the year</b>	<b>(1,851)</b>	<b>13,013</b>

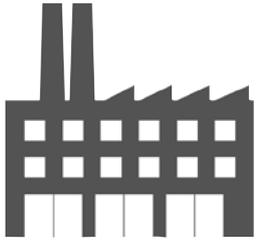
## RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS FOR THE YEAR ENDED 31 MARCH 2015

	Total 2015	Total 2014
Note	£000	£000
(Decrease)/Increase in cash in the year	(1,851)	13,013
Loan repayments	1,270	400
<b>(Decrease)/Increase in net funds for the year</b>	<b>(581)</b>	<b>13,413</b>
Net funds at beginning of year	31,235	17,822
<b>Net funds at end of year</b>	<b>30,654</b>	<b>31,235</b>
Cash	14	30,654
Loans	-	(1,270)
<b>Net funds at end of year</b>	<b>30,654</b>	<b>31,235</b>

The notes on pages 32 to 45 form part of these financial statements

# NOTES FOR ACCOUNTS

## JIC BUSINESS COLLABORATIONS



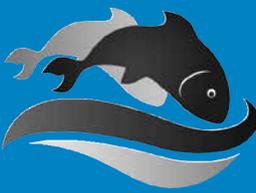
INDUSTRIAL BIOTECH  
**16**



PHARMACEUTICAL BIOTECH  
**18**



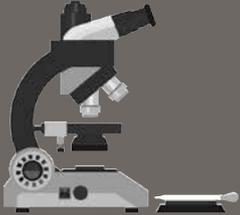
AGRI-TECH AND FOOD  
**52**



MARINE BIOTECH AND AQUACULTURE  
**1**



PLANT BREEDING  
**17**



SCIENTIFIC SERVICES  
**10**

## 1. ACCOUNTING POLICIES

### a. Basis of preparation

The group financial statements have been prepared under the historical cost convention subject to the revaluation of land and buildings and applicable accounting standards. They have also been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities ("SORP 2005") issued in March 2005, applicable United Kingdom accounting standards, the Charities Act 2011 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") 2 "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.

The financial statements of all group undertakings and associates are made up to 31 March 2015.

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 £12,451,000 (2014: £8,027,000).

### c. Going concern

In light of the continued pressure on public sector funding, the Trustees have reviewed whether it was still appropriate for the financial statements to be prepared on a going concern basis. Having considered financial forecasts for the period to March 2020, and the level of unrestricted reserves, the Trustees have concluded that it remains appropriate to prepare the financial statements on a going concern basis.

### d. Incoming resources

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, JIC NRP Capital Limited (formerly Norwich Innovation Centre Limited), IDNA Genetics 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.

Capital grants are recognised in the consolidated statement of financial activities ("SoFA") when entitlement passes.

### e. Resources expended

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.

Cost of generating 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 resources expended relate 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.

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 £9,474,000 (2014: £4,350,000) in connection with funding received from BBSRC, which is to be used on future capital projects to be agreed with BBSRC, and insurance income received in advance of capital purchases.

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

#### **i. Tangible assets and depreciation**

Tangible assets are shown at cost or valuation 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;

Plant, machinery and equipment – estimated economic life;

Scientific equipment - 5 to 15 years straight line;

Computer equipment - 3 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 Governors 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 full value. The Governors 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 reflects its continuing occupancy of these assets for the foreseeable future.

#### **j. Revaluation of tangible fixed assets**

Leasehold land and buildings are revalued by an external surveyor on a depreciated replacement cost basis every five years. The valuation is updated in the interim period using indexation tables. Gains on revaluation are credited to the revaluation reserve. Losses, except in cases of a clear consumption of economic benefit, are charged to the operating result for the period, to the extent they are not offset by previous gains. In cases of a clear consumption of economic benefit, losses are charged to unrestricted reserves, irrespective of whether they are offset by previous gains.

#### **k. 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.

#### **l. Stocks**

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

#### **m. Debtors**

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

#### **n. Cash balances held as grant co-ordinator**

Cash balances held on behalf of the European Union 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 23 to the financial statements.

#### **o. Trade creditors**

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

#### **p. Loans**

Loans are stated on the balance sheet at amortised cost.

#### **q. 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.

#### **r. Staff and Pensions**

All staff employed by JIC on 1 October 2011 were transferred to BBSRC on that date were deployed back to the Institute under conditions set out in the "Agreement for the deployment of staff employed by the BBSRC" dated 1 December 2011. The employees were previously employed by JIC and subject to BBSRC terms and conditions. The agreement ensures that JIC staff affected by this change remain with the Institute on an exclusive and full-time basis and that day-to-day direction and line management of the Deployed Employees are delegated to JIC, subject to the terms of the BBSRC Employment Contract. JIC retains responsibility for paying employment costs in relation to the Deployed Employees, including basic pay and allowances, contractual payments, tax, NI and pension contributions. Deployed employees are members of the Research Councils' Pension Scheme, a defined benefit scheme for multiple employers. JIC does not have any liability for pensions other than for monthly employer contributions, the rate of which is determined by the Government Actuary's Department on a periodic basis.

JIC staff who joined after 1 October 2011 are eligible to join a defined contribution scheme.

#### **s. Operating leases**

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

#### **t. Foreign currency transactions**

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.

#### **u. Financial instruments**

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

## 2. ANALYSIS OF INCOMING RESOURCES

	Research activities	Student activities	Other activities	Total 2015	Total 2014
	£000	£000	£000	£000	£000
<b>Grant income</b>					
BBSRC	23,840	1,612	-	25,452	23,504
Other government departments	703	35	-	738	523
European Union	1,998	-	-	1,998	2,432
Industrial partners	61	48	-	109	98
John Innes Foundation	33	345	-	378	368
Other charities	1,211	69	-	1,280	1,205
Universities	-	37	-	37	34
Other grants	476	253	-	729	1,041
<b>Total grant income</b>	<b>28,322</b>	<b>2,399</b>	<b>-</b>	<b>30,721</b>	<b>29,205</b>
<b>Capital and maintenance grants</b>					
BBSRC					
Repairs & maintenance	156	-	-	156	1,751
Capital expenditure	11,315	-	-	11,315	6,139
<b>Total capital grants</b>	<b>11,471</b>	<b>-</b>	<b>-</b>	<b>11,471</b>	<b>7,890</b>
<b>Other charitable income</b>					
Scientific services	-	-	242	242	171
Miscellaneous income	-	-	164	164	192
<b>Total other charitable income</b>	<b>-</b>	<b>-</b>	<b>406</b>	<b>406</b>	<b>363</b>
<b>Trading income</b>					
John Innes Enterprises Limited	-	-	320	320	453
Norwich Biosciences Limited	-	-	76	76	49
JIC NRP Capital Limited	-	-	-	-	-
IDNA Genetics Limited	-	-	28	28	150
<b>Total trading income</b>	<b>-</b>	<b>-</b>	<b>424</b>	<b>424</b>	<b>652</b>
<b>Rental income</b>					
Conferencing Facilities	-	-	316	316	192
Hill House	-	-	46	46	43
<b>Total rental income</b>	<b>-</b>	<b>-</b>	<b>362</b>	<b>362</b>	<b>235</b>
<b>Investment income</b>					
Interest receivable on cash deposits	-	-	330	330	237
Interest receivable on loan to related party	-	-	-	-	5
<b>Total investment income</b>	<b>-</b>	<b>-</b>	<b>330</b>	<b>330</b>	<b>242</b>
<b>Other generated income</b>					
Site infrastructure recharges	-	-	880	880	771
Insurance proceeds receivable	-	-	1,147	1,147	-
Other	-	-	598	598	963
<b>Total other generated income</b>	<b>-</b>	<b>-</b>	<b>2,625</b>	<b>2,625</b>	<b>1,734</b>
<b>Total incoming resources</b>	<b>39,793</b>	<b>2,399</b>	<b>4,147</b>	<b>46,339</b>	<b>40,321</b>

### 3. ANALYSIS OF RESOURCES EXPENDED

	Note	Research activities £000	Student activities £000	Other activities £000	Total 2015 £000	Total 2014 £000
Direct charitable expenditure:						
Staff costs		11,086	-	-	11,086	10,016
Direct costs		7,513	2,477	-	9,990	8,800
Depreciation		3,989	-	-	3,989	3,665
Support costs	4	8,382	1,105	-	9,487	9,108
<b>Expenditure on charitable activities</b>		<b>30,970</b>	<b>3,582</b>	<b>-</b>	<b>34,552</b>	<b>31,589</b>
Costs of generating funds	4	-	-	329	329	339
Governance costs	4	-	-	108	108	101
Trading expenditure		-	-	354	354	638
Other resources expended		-	-	523	523	493
<b>Total resources expended</b>		<b>30,970</b>	<b>3,582</b>	<b>1,314</b>	<b>35,866</b>	<b>33,160</b>

Prior year comparatives have been restated in line with the allocation of support costs in the current year.

Analysis of governance costs	Total 2015 £000	Total 2014 £000
Staff costs	101	95
Travel costs	3	3
Other costs	4	3
<b>Total governance costs</b>	<b>108</b>	<b>101</b>

### 4. ALLOCATION OF SUPPORT COSTS

	Research activities £000	Student activities £000	Generating funds £000	Governance costs £000	Total 2015 £000	Total 2014 £000	Basis of Allocation
Governing Council and SIAB	49	7	-	-	56	50	Headcount
Lab management	378	50	-	-	428	413	Headcount
Institute management	735	97	-	108	940	784	Headcount
Horticultural services	569	75	-	-	644	1,108	Headcount
Other scientific services	612	81	-	-	693	730	Headcount
Facilities management*	4,318	569	-	-	4,887	4,292	Headcount
Finance and Purchasing*	526	69	-	-	595	565	Headcount
Computing and Library*	593	78	-	-	671	634	Headcount
Human Resources*	264	35	-	-	299	264	Headcount
Contracts services*	-	-	248	-	248	238	Activity
Public engagement*	47	6	-	-	53	51	Headcount
Other support services	291	38	81	-	410	419	Activity
<b>Total support costs</b>	<b>8,382</b>	<b>1,105</b>	<b>329</b>	<b>108</b>	<b>9,924</b>	<b>9,548</b>	

\* includes services supplied by NBI Partnership Limited (see note 22).

## 5. TAXATION

John Innes Centre ("JIC") is an exempt charity within the meaning of the Charities Act 2011 and as such is a charity within the meaning of section 506(1) of the Income and Corporation Taxes Act 1988 and is not subject to corporation tax in respect of its charitable activities.

The trading activities of the subsidiary companies are subject to corporation tax; however sufficient brought forward losses are available to offset any taxable profits of the year. As such the consolidated corporation tax charge for the period is £nil (2014: £nil).

Unutilised losses of £79,000 (2014: £133,000) 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:

	Total 2015 £000	Total 2014 £000
<b>Audit services:</b>		
Fees payable to the charitable company's auditors for the audit of charitable company and consolidated financial statements	18	18
<b>Non-audit services:</b>		
Fees payable for the audit of the charitable company's subsidiaries pursuant to legislation	4	4
Non audit fees payable to the charitable company's auditors	5	-
Depreciation	3,989	3,666
(Profit)/Loss on disposal of tangible assets	(1,130)	4
Hire of plant and equipment	45	67
Rent of land and buildings	16	16
Profit on foreign exchange translations	(59)	(12)

## 7. NET INCOME FROM TRADING ACTIVITIES OF SUBSIDIARIES

	John Innes Enterprises Limited £000	Norwich Biosciences Limited £000	JIC NRP Capital Limited * £000	IDNA Genetics Limited £000	Total 2015 £000	Total 2014 £000
<b>Profit and loss account</b>						
Turnover	320	76	-	28	424	678
Cost of sales	(322)	-	-	(29)	(351)	(527)
<b>Gross profit</b>	(2)	76	-	(1)	73	151
Administrative expenses	-	(49)	-	(14)	(63)	(137)
<b>Operating profit/(loss)</b>	(2)	27	-	(15)	10	14
Minority interest	-	-	-	4	4	17
<b>Retained profit/(loss) for the year</b>	(2)	27	-	(11)	14	31

Administrative expenses include £48,845 (2014: £46,561) in relation to Gift Aid payments to the charitable company. The charitable company has committed to provide financial support to John Innes Enterprises Limited ("JIE") and Norwich Biosciences Limited ("NBL"), and not demand repayment of amounts due to it, in order to enable JIE and NBL to meet their liabilities as they fall due. Support is to be provided only to the extent that money is not otherwise available to the company to meet such liabilities for a period of at least 12 months from the signing of the financial statements of JIE and NBL for the year ended 31 March 2015.

\* Norwich Innovation Centre Limited changed its name to JIC NRP Capital Limited on 13 May 2014.

## 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 Governors. During the year, Professor I A Graham, a Governor of JIC, received £5,000 (2014: £5,000) as chair of JIC's Science Impact Advisory Board ("SIAB").

Attendance expenses incurred by 5 (2014: 6) Governors whilst carrying out their duties amounted to £2,572 during the year (2014: £5,940).

## 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:

<b>Group and charitable company</b>	<b>2015</b>	<b>2014</b>
	<b>Number</b>	<b>Number</b>
Scientific	340	296
Office management and services	18	15
<b>Total</b>	<b>358</b>	<b>311</b>

The aggregate payroll costs of these persons were:

<b>Group and charitable company</b>	<b>2015</b>	<b>2014</b>
	<b>£000</b>	<b>£000</b>
Wages and salaries	11,114	10,069
Social security costs	976	872
Other pension costs	2,035	1,995
<b>Total</b>	<b>14,125</b>	<b>12,936</b>

The aggregate payroll costs above include redundancy payments made in the year.

As required by SORP 2005, an analysis has been provided below of the number of staff who fall within salary bands from £60,000 upwards.

<b>Group and charitable company</b>	<b>2015</b>	<b>2014</b>
	<b>Number</b>	<b>Number</b>
£60,000 - £69,999	11	10
£70,000 - £79,999	5	5
£80,000 - £89,999	5	4
£90,000 - £99,999	3	4
£100,000 - £109,999	1	2
£110,000 - £119,999	1	1
£120,000 - £129,999	1	-
£130,000 - £139,999	-	1
£140,000 - £149,999	1	-
<b>Total</b>	<b>28</b>	<b>27</b>

The number of staff with emoluments greater than £60,000 who were also members of the Research Councils' Pension Schemes was 21 (2014: 21). Five staff (2014: two) with emoluments greater than £60,000 are members of a defined contribution pension scheme.

Staff that joined prior to 1 October 2011 are subject to BBSRC terms and conditions of service. JIC is expected to meet all staff costs arising from normal activities, however the legal liability for employment rests with BBSRC. Staff that joined after 1 October 2011 are employed under JIC terms & conditions.

The Director of the Institute, Prof D Sanders, received total emoluments of £184,900 (2014: £171,600) including contributions to the Research Councils' pension scheme which amounted to £36,800 (2014: £34,100).

## 10. TANGIBLE ASSETS

Group	Freehold property £000	Long leasehold land and buildings £000	Plant, machinery and equipment £000	Assets under construction £000	Total £000
<b>Cost/Valuation</b>					
At 1 April 2014	-	41,927	20,770	138	62,835
Transfers	-	138	-	(138)	-
Additions	3,771	393	2,486	3,690	10,340
Revaluation	-	(170)	-	-	(170)
Disposals	-	-	(1,209)	-	(1,209)
<b>At 31 March 2015</b>	<b>3,771</b>	<b>42,288</b>	<b>22,047</b>	<b>3,690</b>	<b>71,796</b>
<b>Accumulated Depreciation</b>					
At 1 April 2014	-	-	14,507	-	14,507
Charge for the year	-	2,169	1,820	-	3,989
Revaluation	-	(2,169)	-	-	(2,169)
Disposals	-	-	(1,117)	-	(1,117)
<b>At 31 March 2015</b>	<b>-</b>	<b>-</b>	<b>15,210</b>	<b>-</b>	<b>15,210</b>
<b>Net book value at 31 March 2015</b>	<b>3,771</b>	<b>42,288</b>	<b>6,837</b>	<b>3,690</b>	<b>56,586</b>
Net book value at 31 March 2014	-	41,927	6,263	138	48,328
<b>Charitable company</b>					
Charitable company	Freehold property £000	Long leasehold land and buildings £000	Plant, machinery and equipment £000	Assets under construction £000	Total £000
<b>Cost/Valuation</b>					
At 1 April 2014	-	41,927	20,733	138	62,798
Transfers	-	138	-	(138)	-
Additions	3,771	393	2,486	3,690	10,340
Revaluation	-	(170)	-	-	(170)
Disposals	-	-	(1,172)	-	(1,172)
<b>At 31 March 2015</b>	<b>3,771</b>	<b>42,288</b>	<b>22,047</b>	<b>3,690</b>	<b>71,796</b>
<b>Accumulated Depreciation</b>					
At 1 April 2014	-	-	14,470	-	14,470
Charge for the year	-	2,168	1,820	-	3,988
Revaluation	-	(2,168)	-	-	(2,168)
Disposals	-	-	(1,080)	-	(1,080)
<b>At 31 March 2015</b>	<b>-</b>	<b>-</b>	<b>15,210</b>	<b>-</b>	<b>15,210</b>
<b>Net book value at 31 March 2015</b>	<b>3,771</b>	<b>42,288</b>	<b>6,837</b>	<b>3,690</b>	<b>56,586</b>
Net book value at 31 March 2014	-	41,927	6,263	138	48,328

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 Governors 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.

The group and charitable company's leasehold land and buildings were revalued by an external surveyor (Powis Hughes Chartered Surveyors, RICS) on a depreciated replacement cost basis at 31 March 2011. This valuation has been updated to 31 March 2015 using indexation tables.

Leasehold land and buildings on an historical cost basis would be recorded at a net book value of £38,383,000 (2014: £37,364,000).

All of the charitable company's assets at 31 March 2015 are used for direct charitable purposes.

## 11. INVESTMENTS

### Subsidiaries

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

Subsidiary Undertaking	Country of registration	Principal activity	Class and percentage of shares held
John Innes Enterprises Limited	England	Contract research	100% ordinary shares
Norwich Biosciences Limited	England	Management of intellectual property	100% ordinary shares
Norwich Research Limited	England	Dormant	100% ordinary shares
JIC NRP Capital Limited	England	Member of Norwich Research Partners LLP	100% ordinary shares

At 31 March 2014, the charitable company had a direct holding of 61% of the ordinary share capital and a further indirect interest of 13% through Plant Bioscience Limited. The company disposed of its interest in the share capital of IDNA Genetics Limited on 15 May 2014. The charitable company's investment in subsidiary undertakings at cost amounts to £1,248 (2014: £183,305) and accumulated impairment of £243 (2014: £141,216) has been recognised against cost. The movement in the value of investments during the year was as follows:

	Company subsidiary investment 2015	Company subsidiary investment 2014
	£000	£000
<b>Valuation</b>		
At beginning of year	42	91
Share of Loss	(11)	(49)
Disposal	(30)	-
<b>At end of year</b>	<b>1</b>	<b>42</b>
<b>Historical cost</b>		
<b>As at 1 April 2014 and 31 March 2015</b>	<b>1</b>	<b>183</b>

Minority Interest	Interest in subsidiaries	Total 2015	Total 2014
	£000	£000	£000
<b>Valuation</b>			
At beginning of year	15	15	32
Share of Loss	(4)	(4)	(17)
Disposal	(11)	(11)	0
<b>At end of year</b>	<b>-</b>	<b>-</b>	<b>15</b>

### Associates

The charitable company has an investment in Plant Bioscience Limited ("PBL"), a company registered in England and Wales, representing 33% (2014: 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.

## 11. INVESTMENTS (CONTINUED)

Group	Plant Bioscience Limited £000	Total 2015 £000	Total 2014 £000
<i>Associates: Share of net assets</i>			
At beginning of year	966	966	605
Share of result for the year	19	19	361
Disposals	-	-	-
<b>At end of year</b>	<b>985</b>	<b>985</b>	<b>966</b>
<i>Represented by:</i>			
Share of total assets	1,274	1,274	1,536
Share of total liabilities	(289)	(289)	(570)
<b>Share of net assets</b>	<b>985</b>	<b>985</b>	<b>966</b>

Group	Plant Bioscience Limited £000	Total 2015 £000	Total 2014 £000
<i>Associates, share of:</i>			
Turnover	652	652	1,002
Operating profit	37	37	297
Tax paid	(4)	(4)	(3)
Movement in opening balance	(14)	(14)	67
<b>Share of result for the year</b>	<b>19</b>	<b>19</b>	<b>361</b>

## 12. STOCKS

Group and charitable company	Total 2015 £000	Total 2014 £000
Raw materials and consumables	187	200
<b>Total</b>	<b>187</b>	<b>200</b>

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

## 13. DEBTORS

	Group 2015 £000	Group 2014 £000	Company 2015 £000	Company 2014 £000
<i>Grants receivable:</i>				
from government bodies	6,804	1,592	6,804	1,589
from other sources	1,056	1,021	1,041	953
Trade debtors	538	135	532	86
Amounts owed by subsidiary undertakings	-	-	413	328
Amounts owed by other related parties	22	961	917	961
Other debtors	458	1,037	378	981
Taxation and social security	-	6	-	6
Prepayments and accrued income	2,102	2,162	2,102	2,146
<b>Total amounts falling due within one year</b>	<b>11,877</b>	<b>6,914</b>	<b>12,187</b>	<b>7,050</b>

Grants receivable from government bodies includes £3,959,000 in relation to capital funding receivable from BBSRC (2014: £870,000).

The 2014 balances have been restated to move £889,000 owed by BBSRC in relation to grants receivable from amounts owed by related parties to grants receivable from government bodies.

## 14. CASH AT BANK AND IN HAND

	Group 2015	Group 2014	Company 2015	Company 2014
	£000	£000	£000	£000
Cash at bank	30,651	32,503	30,294	32,254
Cash in hand	3	2	3	2
<b>Total</b>	<b>30,654</b>	<b>32,505</b>	<b>30,297</b>	<b>32,256</b>

## 15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Note	Group 2015	Group 2014	Company 2015	Company 2014
		£000	£000	£000	£000
BBSRC loan		-	1,270	-	1,270
Grants received in advance:					
from government bodies		3,458	3,880	3,458	3,880
from other sources		4,398	5,442	4,328	5,370
Trade creditors		2,888	2,144	2,888	2,129
Amounts owed to other related parties	22	1,451	968	1,451	968
Other creditors		1,428	614	1,428	614
Taxation and social security		443	318	443	299
Accruals and deferred income		3,747	4,154	3,746	4,154
<b>Total amounts falling due within one year</b>		<b>17,813</b>	<b>18,790</b>	<b>17,742</b>	<b>18,684</b>

## 16. RECONCILIATION OF MOVEMENT IN GRANTS RECEIVABLE

Group	Note	Total 2015	Total 2014
		£000	£000
Grants receivable	13	7,860	2,613
Grants received in advance	15	(7,856)	(9,322)
<b>Net grants receivable/(received in advance)</b>		<b>4</b>	<b>(6,709)</b>
Net grants received in advance at beginning of year		(6,709)	(3,759)
Grant monies received during the year		(35,479)	(40,045)
Grant money released to SOFA during the year		42,192	37,095
<b>Net grants receivable/(received in advance) at end of year</b>		<b>4</b>	<b>(6,709)</b>

## 17. PROVISIONS FOR LIABILITIES AND CHARGES

Group and charitable company	Total 2015	Total 2014
	£000	£000
Restructuring provision at beginning of year	440	500
Charge in the year	(6)	-
Utilised	(121)	(60)
<b>Provision at end of year</b>	<b>313</b>	<b>440</b>

The restructuring provision relates to future compensation payments due under the redundancy scheme in connection with the restructuring of science programmes and the administration and support functions. Although the restructuring provision has not been discounted, it is stated at the present value of future amounts payable since inflationary increases linked to the redundancy settlements have similarly been excluded from the provision. The provision will be utilised over the period to March 2017.

## 18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Group	Fixed assets £000	Net current assets £000	Creditors over one year and provisions £000	Total 2015 £000
<i>Unrestricted:</i>				
Fixed assets reserve	8,805	-	-	8,805
Designated capital reserve	-	9,059	-	9,059
General	-	6,372	(313)	6,059
<i>Restricted:</i>				
Fixed assets reserve	42,840	-	-	42,840
Designated capital reserve	-	9,474	-	9,474
Revaluation reserve	5,926	-	-	5,926
<b>Net assets</b>	<b>57,571</b>	<b>24,905</b>	<b>(313)</b>	<b>82,163</b>
<b>Charitable company</b>				
<i>Unrestricted:</i>				
Fixed assets reserve	7,880	-	-	7,880
Designated capital reserve	-	9,059	-	9,059
General	-	6,396	(313)	6,083
<i>Restricted:</i>				
Fixed assets reserve	42,781	-	-	42,781
Designated capital reserve	-	9,474	-	9,474
Revaluation reserve	5,926	-	-	5,926
<b>Net assets</b>	<b>56,587</b>	<b>24,929</b>	<b>(313)</b>	<b>81,203</b>

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 2020. The restricted designated capital reserve relates to funding received from BBSRC to be used in connection with future estates rebuild costs with the agreement of BBSRC and insurance proceeds received in advance of purchases.

## 19. ANALYSIS OF FUNDS MOVEMENT

	Unrestricted fixed assets	Unrestricted designated capital	Unrestricted general	Restricted general	Restricted fixed assets	Restricted designated capital	Revaluation reserve	Total 2015
	£000	£000	£000	£000	£000	£000	£000	£000
<b>Group</b>								
<b>At 1 April 2014</b>	6,468	-	16,024	-	38,263	4,350	4,563	<b>69,668</b>
Operating surplus for the year	-	-	2,119	(108)	8,462	-	-	<b>10,473</b>
Associates and Minority Interest	23	-	-	-	-	-	-	<b>23</b>
Revaluation of tangible assets	-	-	-	-	-	-	1,999	<b>1,999</b>
Revalue depreciation transfer	-	-	-	-	636	-	(636)	-
Other transfers	-	-	(108)	108	-	-	-	-
Designated capital transfers	-	9,059	(9,059)	-	(5,124)	5,124	-	-
Capital transfers	2,314	-	(2,917)	-	603	-	-	-
<b>At 31 March 2015</b>	<b>8,805</b>	<b>9,059</b>	<b>6,059</b>	<b>-</b>	<b>42,840</b>	<b>9,474</b>	<b>5,926</b>	<b>82,163</b>
<b>Charitable company</b>								
<b>At 1 April 2014</b>	5,588	-	16,032	-	38,219	4,350	4,563	<b>68,752</b>
Operating surplus for the year	-	-	2,098	(108)	8,462	-	-	<b>10,452</b>
Impairment of investments	-	-	-	-	-	-	-	-
Revaluation of tangible assets	-	-	-	-	-	-	1,999	<b>1,999</b>
Revalue depreciation transfer	-	-	-	-	636	-	(636)	-
Other transfers	-	-	(108)	108	-	-	-	-
Designated capital transfers	-	9,059	(9,059)	-	(5,124)	5,124	-	-
Capital transfers	2,292	-	(2,880)	-	588	-	-	-
<b>At 31 March 2015</b>	<b>7,880</b>	<b>9,059</b>	<b>6,083</b>	<b>-</b>	<b>42,781</b>	<b>9,474</b>	<b>5,926</b>	<b>81,203</b>

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.

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

The revalue depreciation transfers have been made to reflect differences in the historical cost and revalued depreciation costs.

The unrestricted designated capital transfer relates to funds designated by Governing Council for use in relation to planned capital investments in the financial projections to March 2020. The restricted designated capital transfer relates to funding received from BBSRC to be used in connection with future estates rebuild costs with the agreement of BBSRC and insurance proceeds received in advance of purchases.

## 20. COMMITMENTS

Group and charitable company	Total 2015 £000	Total 2014 £000
Capital commitments at the end of the financial year for which no provision has been made:		
Contracted	518	1,610
Annual amounts due under other operating leases for plant and machinery:		
Expiring in less than one year	3	3
Expiring between one and two years	5	4
Expiring between two and five years	42	25
	50	32
Annual amounts due under other operating leases for land and buildings:		
Expiring after five years	16	16
	16	16

## 21. PENSION SCHEMES

Details of the company pension schemes are provided in note 1 r. Staff and Pensions.

The total pension charge for the year was £2,035,128 (2014:£1,995,202), with outstanding contributions at the year-end of £52,983 (2014: £29,108).

## 22. RELATED PARTY TRANSACTIONS

The charitable company has taken advantage of the exemption under FRS8, not to disclose transactions and balances with its wholly owned subsidiaries

### BBSRC

JIC is strategically funded by BBSRC. During the year, BBSRC charged JIC £187,034 (2014: £182,806) in respect of Wakeham Efficiency costs. Grants received from BBSRC are detailed in note 2. At 31 March 2015, BBSRC owed JIC £6,694,575 (2014: £889,035).

During the year BBSRC paid JIC £nil (2014: £33,364) compensation for redundancy and salary costs incurred in restructuring. BBSRC also paid £nil (2014: £144,836) of redundancy related payments on behalf of JIC in connection with the science restructuring programme, which were then recharged to JIC. At 31 March 2015 JIC owed BBSRC £308,665 (2014: £nil).

### 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 2015 amounted to £4,579 (2014: £3,297). During the year, PBL paid JIC £33,260 (2014: £32,464) in rent and £36,234 (2014: £36,281) in student sponsorship and research grants. At 31 March 2015, PBL owed JIC £12,900 (2014: £10,191).

## 22. RELATED PARTY TRANSACTIONS (continued)

### 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. At 31 March 2015, JIC had a loan balance with NBIP of £327,000 (2014: £265,000).

JIC was charged £4,199,756 (2014: £3,657,301) for services by NBIP under a cost sharing agreement. As at 31 March 2015, JIC owed NBIP £497,529 (2014: £379,388). NBIP paid JIC £109,737 (2014: £94,544) for services and, as at 31 March 2015, NBIP owed JIC £18,795 (2014: £23,105).

### 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 £814,457 (2014: £583,653) and other services amounting to £189,407 (2014: £80,587) to JIC. At 31 March 2015, JIC owed UEA £641,920 for student fees (2014: £583,653) and £2,426 for other services (2014: £4,689).

During the year, JIC received £290,130 (2014: £282,368) in student fee payments from UEA and provided £29,429 (2014: £59,322) of other services. At 31 March 2015, UEA owed JIC £543,247 (2014: £647,432) for student fees and services.

### John Innes Foundation

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

	2015	2014
	£000	£000
<i>Paid to JIC:</i>		
Grants for studentships	332	345
Contribution to salary costs	38	23
Recharge of services in connection with field trial services	128	-
Provision of administrative and support services to Nor Bio tenants	115	128
	<b>613</b>	<b>496</b>
<i>Paid by JIC:</i>		
Field centre contribution	8	-
Purchase of land at Church Farm, Bawburgh	3,750	-
Rent payable for occupation of property owned by JIF	11	16
	<b>3,769</b>	<b>16</b>

At 31 March 2015, JIF owed JIC £15,364 (2014: £15,205).

## 23. CASH HELD AS EUROPEAN GRANT CO-ORDINATOR

JIC holds cash of £1,355,000 (2014: £2,079,000) on behalf of the European Union 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.

## 24. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The Governors 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.

## 25. 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.

## REFERENCE AND ADMINISTRATIVE DETAILS

### Directors and Governors

Mr S L Holmes	Chair – Governing Council & Remuneration Committee
Prof I A Graham	Chair – Science Impact and Advisory Board
Prof H G Dickinson	
Mr K R Norman	
Prof P M Gilmartin	
Mr D R White	
Dr D J Keith	
Mr R J Maskell	

**Director of the Institute** Prof D Sanders

**Company Secretary** Mr D Foreman

**Registered charity number** 223852

**Registered company number** 00511709

### Registered office and principal office of the charity

Norwich Research Park  
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### Independent auditor

Grant Thornton UK LLP  
Chartered Accountants and Statutory Auditors  
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**JIC PhD  
STUDENTS**

**79**

**OF WHICH**

**22**

**NEW STUDENTS  
IN THE FINANCIAL  
YEAR 2014-15**



**2015**

**2**

**International  
Students**

**3**

**EU Nationals**

**17**

**UK Nationals**





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*John Innes*<sup>Foundation</sup>

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