



# IFR

Institute of  
Food Research

TUESDAY



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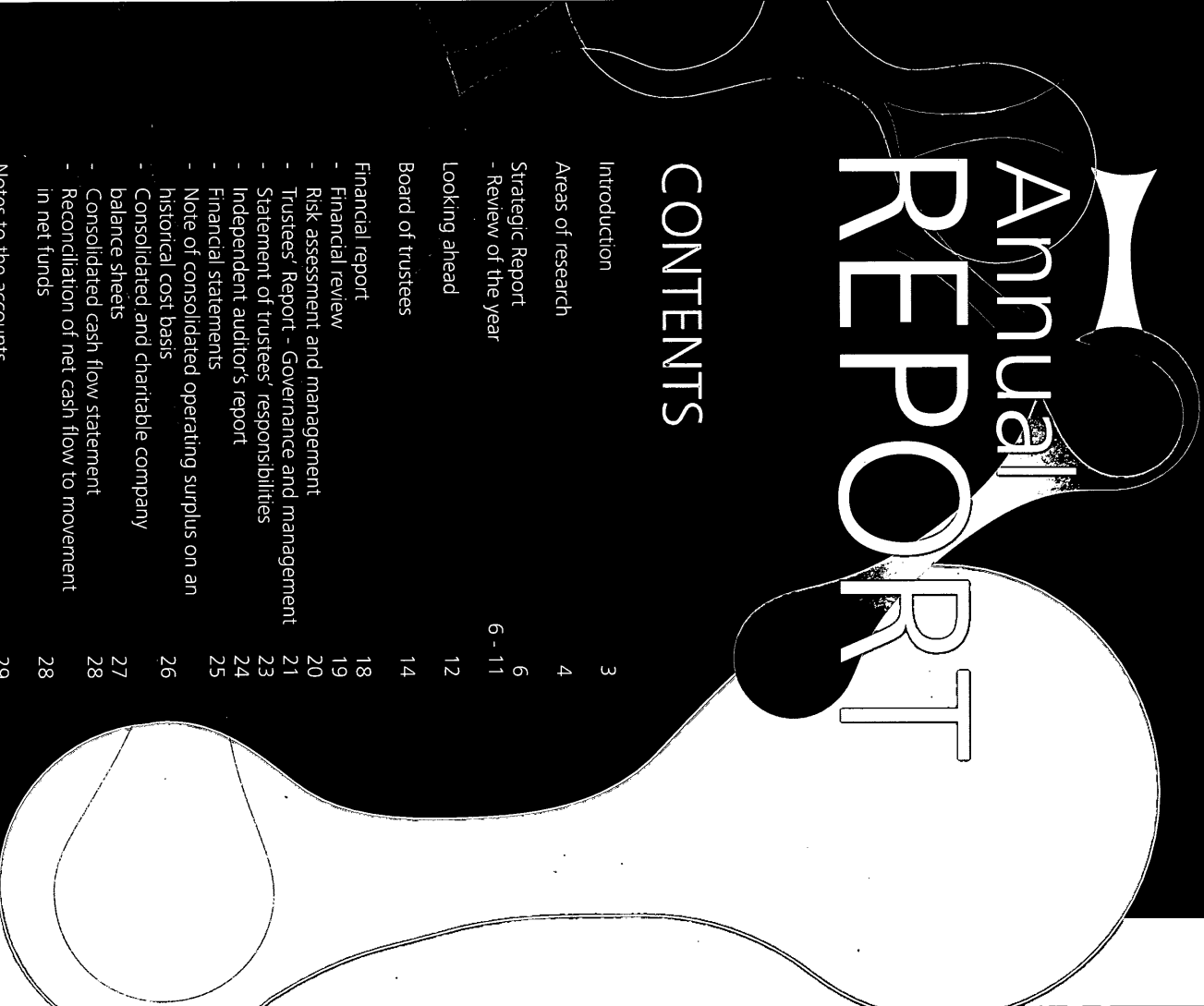
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Annual Report  
Year ended 31st March 2015

Report company number: 03009972



# Annual REPORT

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# IFR

Institute of  
Food Research

## INTRODUCTION

Welcome to the Annual Report of the Institute of Food Research. IFR conducts world-leading research on the links between food and health, the gastrointestinal tract, and food safety, to help ensure that we continue to enjoy safe, sustainable and healthy foods and live healthy lives as we age. Later in the report you can read highlights of the year from IFR and its science, which has also seen further preparations for IFR's exciting transformation into the new centre for food and health.

The new centre brings together the IFR with aspects of the University of East Anglia's (UEA) Norwich Medical School and science faculty and the Norfolk and Norwich University Hospitals' regional gastrointestinal endoscopy facility, uniquely integrating scientific excellence with clinical expertise. IFR and our partners are financially committed to the project and, with the support of the Biotechnology and Biological Sciences Research Council (BBSRC), will deliver the new centre by the end of 2017.

The new centre's science will build on and expand IFR's current expertise. It will be a catalyst for a step change in the basic food, diet and health research that is needed to address challenges of reducing obesity, improving health through diet, and ensuring future food security. Strengthening links with the John Innes Centre and the Genome Analysis Centre, and links to the food and pharmaceutical industries, will make the centre, and the Norwich Research Park, an integrated place of excellence for fundamental research and its translation into products and therapies that benefit both the nation's health and boost the bioeconomy.

We are pleased to welcome a number of new researchers to the IFR including a joint Computational Biology Fellow at IFR and The Genome Analysis Centre (TGAC) and an IFR Fellow working with the Director of the Norwich Research Park's Food and Health Alliance. We have a new career track Research Leader joining later in the year together with another new IFR Fellow who will be working in a new Cereal Quality for Human Health collaborative research programme with the John Innes Centre.

Our thanks go to Professor David Boxer who retired at the end of December 2014 as Director of the Institute. He has worked tirelessly to secure the long-term future of the Institute through the development of the new centre and we wish him happiness in his retirement.

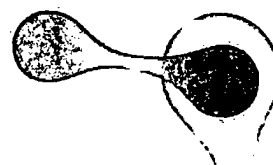
In May 2015, we were extremely pleased to welcome Professor Ian Charles to lead the IFR and its transformation into the new centre, and become its founding Director.

**Dr Tim Brears**

Chairman, Institute of Food Research



EVERY  
£1  
invested in  
IFR  
SCIENCE  
requires over  
£8  
TO THE UK  
BIOECONOMY



# Areas of RESEARCH



# IFR's science can be categorised into six research areas:



## Gut health

The gut health group's main objective is to promote a lifelong healthy gastrointestinal tract to improve wellbeing and healthier ageing, leading to reduced pressure on health and social care. It is answering fundamental questions of how the physical, chemical and immunological barrier of the gut wall is maintained through life and how failure can lead to disease, how we learn to tolerate the barrage of food-derived antigens whilst mounting an effective defence against pathogens, and the role resident gut microbes play in processes that are crucial to health.

## Food safety

Our extensive expertise in microbial food safety at IFR, together with partners across the Norwich Research Park, has been brought together to form the Food Safety Centre, Norwich. Expertise ranges from foodborne pathogens to food authenticity and includes ComBase (a National Capability), a web-based system to assess data on microbial risk in the food chain.

The objective of the Food Safety Centre is to prevent and reduce foodborne illness and improve the safety of our food and the resilience of the food chain. The Food Safety Centre works actively with industry, collaborates with other academic organisations and provides science-based evidence to inform policy makers.

## Healthier foods research

Our research into food and health focuses on improving our understanding of how bioactive components in plant-based foods benefit health and how the physical structure of foods changes during digestion, altering how nutrients and bioactives are delivered to the body. Ultimately this work aims to provide the knowledge for the development of foods with enhanced nutritional and functional properties.

## Industrial Biotechnology from agri-food waste

The food chain produces a variety of plant-based waste products that could be exploited to make valuable products – improving the bio-economy, the sustainability of the food chain and reducing our reliance on fossil fuels. This research area concentrates on developing value from non-food grade components to produce biofuels, high value platform chemicals and composts.

## Food Databanks (National Capability)

Food Databanks manages data on the composition of foods eaten in the UK. As well as providing the nutritional information for food labelling, this information underpins research at the IFR and is used worldwide by dietitians and nutritionists.

## National Collection of Yeast Cultures (National Capability)

NCYC is one of the largest collections of yeast in the world, making it a valuable resource for academics and industry. In addition to preserving and understanding biodiversity, this research group uses cutting edge techniques to characterise yeast strains for brewing and baking and works actively with the Industrial Biotechnology team exploiting the biodiversity of the yeast strains to produce valuable biofuels and chemicals.

**NCYC, Food Databanks and ComBase are supported by BBSRC as National Capabilities - significant areas of knowledge, tools & expertise that are publicly funded for the benefit of the nation.**



# Strategic REPORT

## REVIEW OF THE YEAR

The *Campylobacter* group, led by Dr Arnoud van Vliet, showed that the organic matter derived from chicken carcasses provides an ideal environment for the bacteria to survive in the food chain, by forming biofilms. Further research showed that DNA is integral to these biofilms, which suggests new ways of combatting this problem.



*Campylobacter jejuni*



Dr Paul Kroon and colleagues published new evidence for how polyphenols in green tea and apples could help protect our health, by blocking the angiogenesis signalling molecule VEGF.

The Biorefinery Centre led by Professor Keith Waldron and Dr Ian Roberts, curator of the National Collection of Yeast Cultures collaboratively developed a new method to rapidly screen yeast strains for potential use in biorefining. Together with the University of East Anglia, they identified yeast strains resistant to inhibitory by-products produced during bioethanol generation from agri-food waste. Further research into pre-treating biomass is suggesting ways of increasing the efficiency in the process.



*Kazachstania yasuniensis*

The National Collection of Yeast Cultures passed a milestone, adding the 4,000th yeast strain to its publicly available collection. As well as supporting industry, yeasts are an important research tool, and The National Collection of Yeast Cultures researcher Jo Dicks worked with UEA researchers on new phylogenetic tools for yeast.



*Enterohaemorrhagic E. coli*

PhD student Steven Lewis, supervised by Dr. Stephanie Schuller, worked with colleagues at the Norfolk and Norwich University Hospital to show how potentially dangerous *E. coli* O157 bacteria colonise human colonic tissue.

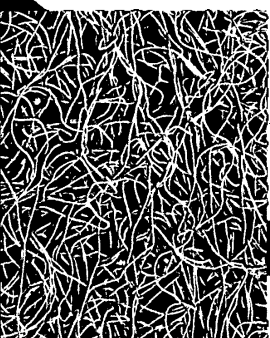
TGAC/IR Computational Biology Fellow Iamás Korsmáros developed an Autophagy Regulatory Network (ARN) as an online resource to aid research into this important cellular process and its role in cancer and neurodegenerative diseases.

Dr Adam Madczanka and Dr Alan Madkje published a new comparison of the changes in the structural organisation of intestinal mucus layer, uncovering a potential new role for DNA molecules in increasing the physical properties of the gut barrier.

Réjz Stentz and colleagues in Professor Simon Garding's lab made exciting new insights into how certain gut bacteria produce compounds that protect them, and potentially other members of the gut microbiota, from antibiotics.



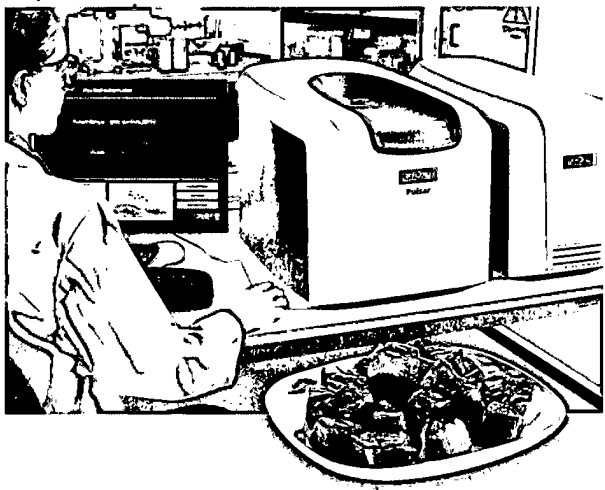
Dr Anthony Ash showed how common chemicals found in foods and oral hygiene products alter the structure of the salivary pellicle, a protective film that coats our teeth.



*Bacteroides thetaiotaomicron*

Sulphoraphane derived from broccoli could lead to reduced levels of a pro-inflammatory cytokines in people with chronic diseases who consume diets rich in cruciferous vegetables, according to research published by Prof. Richard Mithen's team.

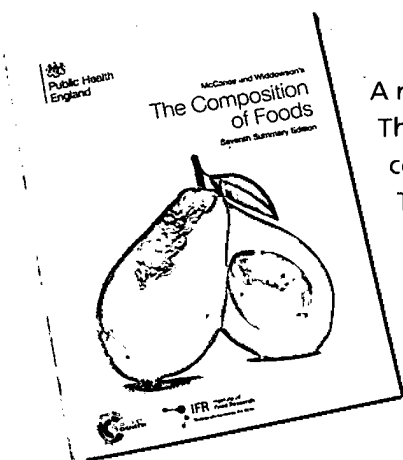




The Analytical Sciences Unit, led by Dr Kate Kemsley, published proof of principle research showing how a benchtop NMR device could differentiate meat from different animal species. It can also be used to provide authentication in other product categories. This technology has been brought to market with Oxford Instruments, providing a new tool to combat food fraud and assist in food safety.

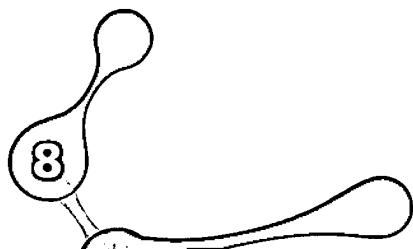
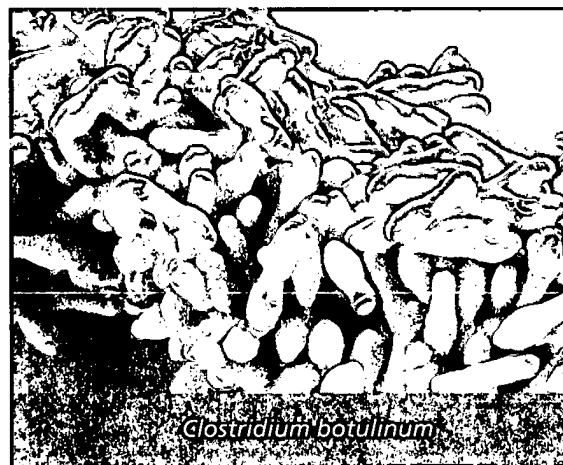
A study of Gel in Oil in Water emulsions by Prof. Peter Wilde showed their stability to shear, temperature and salt, making them of potential use in real world food applications.

Dr Jo Brooks was awarded a Wellcome Trust Clinical Training Fellowship, to fund her PhD studies on Inflammatory Bowel Disease (IBD), focusing on genetic changes that are associated with developing this debilitating disease.

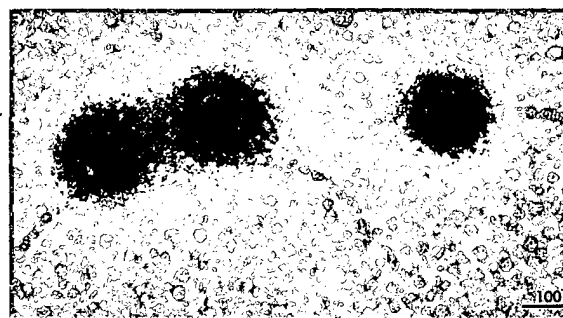


A new edition of 'McCance & Widdowson's The Composition of Foods' was published, containing updated information on the composition of 1,200 foods. The Food Databanks National Capability coordinated the compilation of the data, which is used extensively by the food industry, healthcare providers, dietitians and academics.

The Botulinum group, led by Prof. Mike Peck, published new findings on the *Clostridium botulinum* genes that are crucial for germination, and new information about how these bacteria produce their deadly toxin.



Dr Arjan Narbad and Dr Melinda Mayer, in collaboration with scientists at the European Molecular Biology Laboratory (EMBL) in Hamburg, showed how bacteriophages destroy *Clostridium difficile*, pointing to new ways of controlling antibiotic-resistant infections, as well as other problematic bacteria.



Bacteriophages

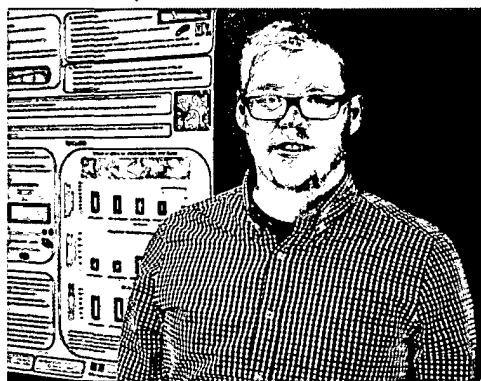


Dr Pradeep Malakar has been working with Ugandan researchers and farmers to optimise mushroom spawn production in Uganda, increasing farmer income and creating sustainable economic benefits.

Prof. Jozsef Baranyi and his team proved that though the growth rate gradually decreases while bacteria adapt to stress, the structure of their metabolic network goes through a dramatic switch at a critical stress level, switching from growth to survival strategies and increasing chances of persistence.

Carmen Pin developed an innovative computational approach able to simulate the process of crypt fission, which plays a pathological role in the growth of intestinal polyps.

A collaboration between IFR and Newcastle University has shown that synthetic folic acid, as used in supplements, is not processed by the body in the same way as natural folates, the form found in green vegetables, which has implications on any future plans to fortify our diets.



PhD student Sebastian Achterfeldt was selected from hundreds of applicants to present his research on polyphenols and health to Parliament at SET for Britain.

Dr Charlotte Armah recorded her life story and career as part of a Royal Society and British Library initiative aimed at highlighting the diversity of people working in science. This was followed up by a Twitter chat, where she and other researchers answered questions from the public.



IFR hosted the successful Total Food Conference, bringing together over 100 delegates from all parts of the globe with a common interest in sustainable exploitation of waste and co-products from the entire agri-food chain.

IFR's public engagement programme continued to enthuse and engage schoolchildren and members of the public at The Big Bang Fair, the Norfolk Food and Drink Festival and a plethora of other events, visits and activities. In addition, IFR registered over 30 people as STEM Ambassadors, joining this nationwide STEMNET scheme to encourage young people to study science.





IFR recognised the contribution that volunteers play in its food and health research, by staging a Heroes of Food Research event. As well as talking about current and past studies that involved volunteers, it was a chance to find out what motivates or discourages people from taking part in this valuable research.

The continuing problem of high levels of *Campylobacter* on supermarket poultry put the bacteria firmly in the media spotlight, and IFR's *Campylobacter* group appeared on BBC's Countryfile, Watchdog Test House and Farming Today talking about the problem, and efforts to combat it. IFR's expertise also featured on TV & radio, covering food and health, food fraud, the microbiome and immune health and food waste, as well as in over 400 print and online news articles.

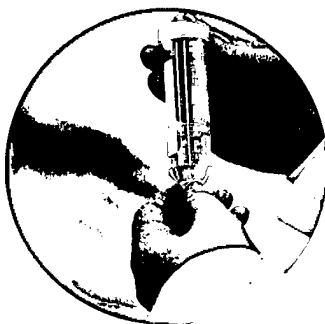
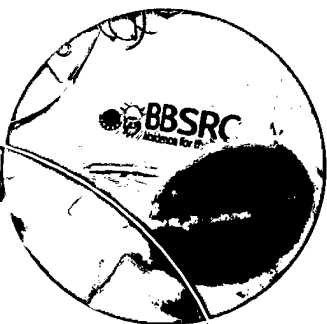


Prof. József Baranyi was inducted as a Fellow of the International Academy of Food Science and Technology (IAFoST) in recognition of his outstanding contributions to food science and technology.

IFR hosted a successful musical concert, drawing on the talents of the Norwich Research Park, and raising over £2,000 for The Big C, Norfolk's cancer charity.







During the year ahead we will continue to work towards the delivery for the new centre of food and health research. As completion of the building at the end of 2017 gets closer we will be developing further specialist work streams to help ensure its success.

Recruitment and growing our research base for the new centre are critical to its success, by attracting the world's best academics in food and health research to Norwich.

The research themes for the new centre are:

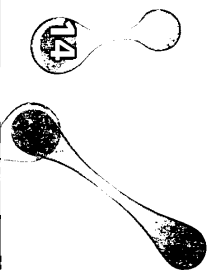
- Food, Innovation and Health
  - Cereals for Health
  - Understanding how plant bioactives maintain and improve health
  - Nutrigenomics and integrative data analysis
- Understanding the gut, its microbial community & its impact upon health.
  - The impact of the gut microbiota on gastrointestinal health throughout life
  - Changing the gut microbiota to improve or restore gastrointestinal health
  - Molecular epidemiology of foodborne pathogens

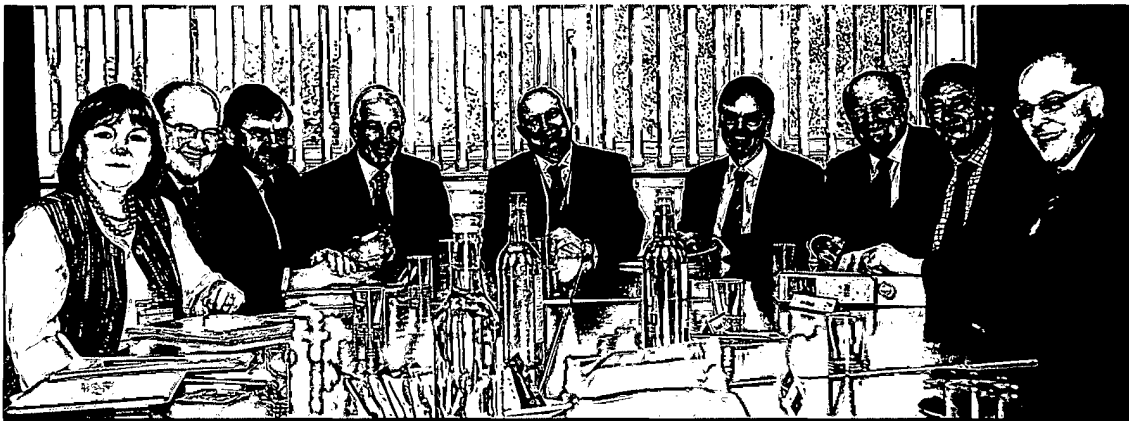
The research themes build on IFR's current expertise. Work has commenced to start developing these areas, which will be active before the transformation into the new centre. The new Cereals for Health programme has already commenced, and the focus looking ahead is developing IFR's science into these new themes.

# Board of TRUSTEES



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Left to right: Christine Williams, Steven Walker, Duncan Maskell, Roger Platt, Ian Charles (Director), Tim Brears, Roger Dickinson, Ian Black, Steve West

## Tim Brears (Chairman)

Tim Brears is Chief Executive of PlaqueTec Limited, a Cambridge-based, venture capital funded company specialising in the development and use of biomarkers implicated in coronary arterial disease.

Until recently, he was Chief Executive of Xention Limited, which developed drugs for the control of atrial fibrillation, and previously he was Chief Executive of Gendaq Limited, a company focused on the development of zinc finger proteins for gene regulation based on technology from the MRC Laboratory of Molecular Biology in Cambridge.

From 1993 to 1999 he was director of licensing at Ciba-Geigy (later Novartis) Agribusiness in Research Triangle Park, North Carolina. Tim graduated in Agricultural and Forest Sciences from Oxford University in 1983 and was awarded a PhD in plant molecular biology from Cambridge University in 1987. He subsequently held an EMBO post-doctoral fellowship at Rockefeller University, New York, where he worked on the cloning and overexpression of nitrogen metabolic genes in transgenic plants for the purpose of improving nitrogen use efficiency. He also has an MBA from Duke University's Fuqua School of Business and is a Registered US Patent Agent. He is closely involved in his family's farming business, which includes arable and beef enterprises and is involved in a number of crop assurance and environmental schemes.

## Ian Black

Ian's career includes director roles in a number of global organisations including NCR, AT&T, RIL and BAT with a business sector focus on Engineering, Technology and Fast Moving Consumer Goods where Ian has worked in various Corporate roles covering Strategy, HR, IT, Quality and Marketing Services.

Ian currently is the founder Director of Arch Management Consultants focusing on business strategy, HR Leadership, Change Management, Remuneration, Talent Management, Governance and Performance Improvement. In this capacity he has provided consulting services to organisations in various sectors including, insurance, consumer goods, aviation, pharmaceuticals and technology.

Ian is also a Non-Executive Director of Remploy Ltd, MLCSL Ltd and BSH Ltd where he is either Chair or Member of the Board Audit, Remuneration, Nominations and Strategy committees.

## Roger Dickinson

Chief executive, general manager, lawyer and consultant over 30 years, focused on governance and the commercial exploitation of science in a number of industry sectors – electronics, utility, engineering and bio-tech/healthcare.

CEO of ICSA and ITI Scotland. Executive Director & General Counsel of Anglian Water plc, Gemini Genomics plc and Domino Printing Sciences plc. Commercial/ intellectual property lawyer of British Technology Group. Solicitor, LL.B (London), M.Business Law (CNA) and AMD (Harvard Business School).

## Duncan Maskell

Duncan Maskell is Marks and Spencer Professor of Farm Animal Health, Food Science and Food Safety at the Department of Veterinary Medicine, and Head of the School of the Biological Sciences at the University of Cambridge. He was also educated at Cambridge, gaining his first degree and PhD there in the 1980s, before being employed at Wellcome Biotech. He subsequently worked at the Institute of Molecular Medicine, University of Oxford, and the Department of Biochemistry, Imperial College, before being elected to his current Professorship in 1996. He was Head of the Department of Veterinary Medicine from 2004 until taking up his current role as Head of the School of the Biological Sciences in 2013.

His main research interests have centred on bacterial diseases of humans and other animals, with food poisoning bacteria such as *Salmonella* and *Campylobacter* being particularly constant elements of his research portfolio. His work has covered all aspects of the host-pathogen interaction, from how the bacteria themselves work, through to how host responses operate to lead to infection or clearance of the bacterium, and this research has resulted in over 220 papers.

Outside the University, Duncan has been a founder shareholder and consultant to a number of biotech companies. He co-founded Arrow Therapeutics in 1998, which was sold to Astra Zeneca in 2007, and was recently a co-founder of Diskawa Ltd and Bacterio Ltd. Duncan has been a member of many UK and overseas funding panels, advisory boards and Councils, including for the BBSRC, Defra and the Food Standards Agency. He was elected a Fellow of the Academy of Medical Sciences in 2011.

## Roger Platt

Roger Platt retired in 2004 as a Senior Vice President in Unilever. After spells in Holland, the United States and London, he was appointed head of Unilever's Port Sunlight laboratory and co-ordinated the work of laboratories in Holland, USA, India and China. His last role in Unilever was the leadership of supply chain strategy for the global Home and Personal Care Business. His public sector experience includes a secondment to the Foreign Office, as a Non-Executive Director of the Ministry of Defence research laboratories (Dstl) and of the Department of Education in Northern Ireland (DENI) and the Chairmanship of the North West Science Council.

Currently he is a member of the Council of the University of Liverpool and of the Advisory Board of the Food and Environmental Research Agency (Fera). After an early academic career as a natural scientist, in retirement he has been studying history at Liverpool University, where he has completed a PhD in Anglo-Soviet relations and is now undertaking post-doctoral work on the post-war British diplomatic community.

## Steven Walker

Steven obtained his degree in Food Science and PhD in Microbiology from the Queen's University of Belfast, before joining the Microbiology Department of Campden BRI in 1983. In this role he worked extensively on predictive microbiology and chilled foods microbiology.

From 1994 to 2004, Steven undertook the newly created role of Director of Research, which guided, directed and managed the company's research programme, funded by membership subscriptions, UK Government, the EC and industrial consortia.

Following four years as Director of Cereals and Cereal Processing, where he led and managed the research, consultancy, analytical and training activities of the division, Steven was appointed as Director-General of Campden BRI in 2009.

During his 26 years service, Steven has played a major role in both the scientific and commercial aspects of the business, working closely with senior technical, operational, financial and political representatives from the agri-food and



allied industries and funding bodies in the UK and overseas.

In 2010, he was appointed Visiting Professor at Harper Adams University and elected a Fellow of the Institute of Food Science & Technology

### Steve West

Following a degree in Economics from the London School of Economics, Steve qualified as a Chartered Accountant with KPMG, London, in the early 1980s. He then moved into "Industry" with Schlumberger and Xerox Corporation, taking a first financial Director role with Odhams-Sun printers in 1988. From 2008 until recently, Steve was Group Finance Director of The Shropshire Group, a large salad and vegetable farming, processing, packing and marketing organisation headquartered near Ely in Cambridgeshire. The business employs 5,000 people, has sales of circa £400m and physical operations in the UK, Spain, Czech Republic, Poland, Senegal and the USA.

Steve is also a member of the Strategy Board for the Eastern Region of the Institute of Chartered Accountants in England and Wales. Steve lives in Ely, is married with two children, both of whom work in London.

### Christine Williams

Professor Christine Williams OBE, was until very recently Pro-Vice-Chancellor at the University of Reading, responsible for the leadership of the University's research and innovation strategy and preparations for the Research Excellence Framework.

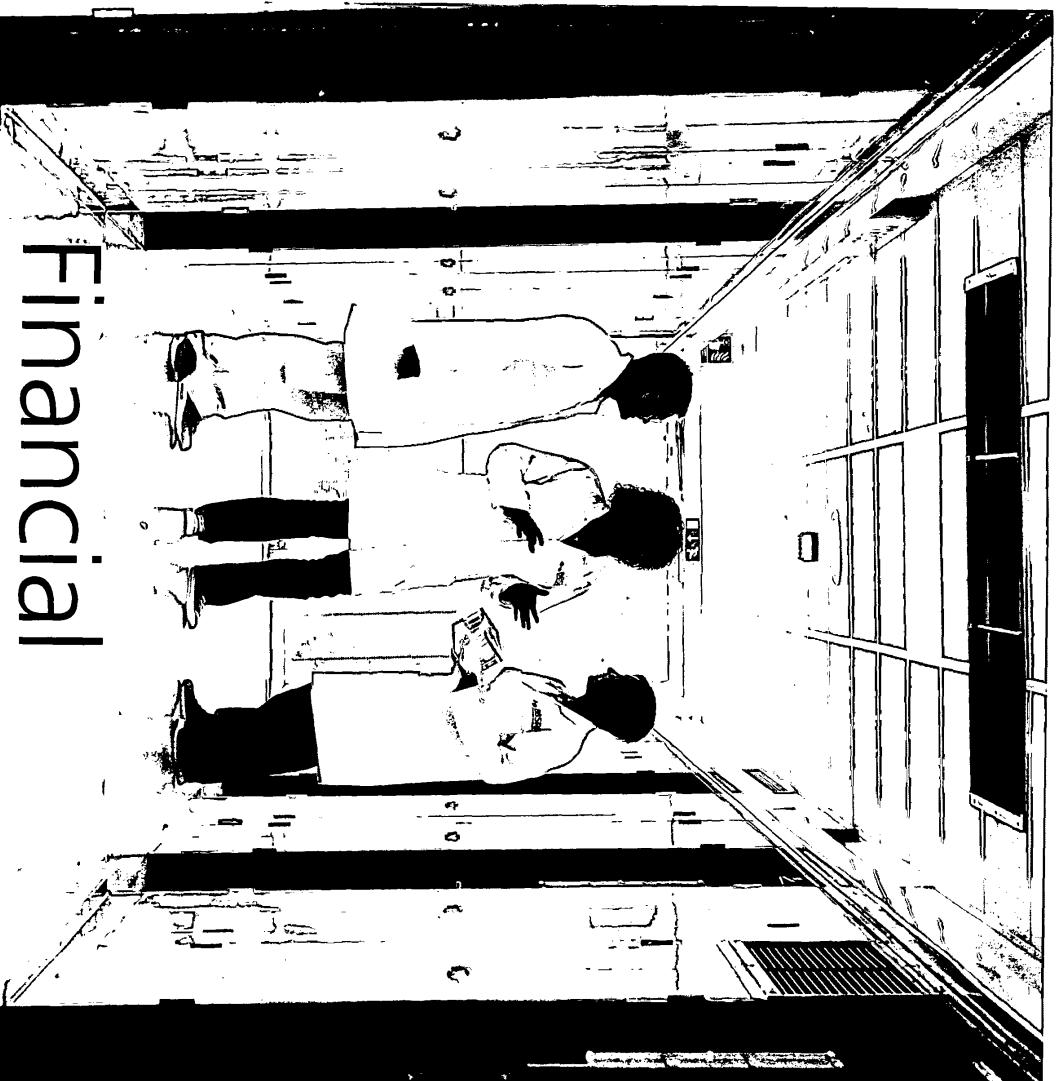
Christine, who was appointed on 1 August 2014, brings a wealth of experience to the Board of Trustees, both from her distinguished career in nutritional science and in her leadership role in driving innovation and its application to supporting the knowledge economy.

Christine joined the University of Reading in 1995, as the first Hugh Sindler Professor of Nutrition. She headed the School of Food Biosciences from 2009 to 2006, before being elected as Dean of Life Sciences. Her research interests are focused on the impact of dietary fats on human health, particularly in relation to cardiovascular disease and insulin resistance.

In 1999 she was awarded the Royal Society of Medicine Gold Medal in Nutrition for her contribution to scholarship and education in nutrition, and in 2013 Professor Williams was awarded an OBE for services to higher education and nutritional science.

Professor Williams actively engages in dissemination of nutritional science and frequently provides advice to government and industry on matters relating to dietary policy and public health. She is a Governor and Member of Council of the British Nutrition Foundation, a former President of the UK Nutrition Society, and chaired the BBSRC Agri-Food Committee from 2003-2006. She was also a member of the Food Standards Agency, Scientific Advisory Committee on Nutrition (SACN).

All the trustees, unless otherwise stated, served for the whole year and up to the date of signing these financial statements.



# Financial REPORT

## FINANCIAL REVIEW

### Income

Total incoming resources for the year were £22.5m (2014: £20.0m). Income excluding capital grants was £14.3m (2014: £14.3m).

IFR's principal sponsor is the Biotechnology and Biological Sciences Research Council (BBSRC), which contributed 86% of total incoming resources (2014: 87%). Other major sources of funding were the European Union, DEFRA and other government agencies, the Food Standards Agency and charities. An analysis of grant income by principal sponsor is included in the notes to the financial statements.

### Expenditure

Total resources expended for the year amounted to £14.5m (2014: £14.2m). Staff costs accounted for £6.8m (47%) (2014: £6.8m; 48%) of expenditure.

### Net Movement in Reserves

IFR recorded a net increase in unrestricted reserves of £0.9m (2014: £1.1m).

Restricted reserves increased by £7.4m (2014: £4.8m). The increase in restricted reserves is principally due to £8.2m of capital funding (2014: £5.7m).

### Capital expenditure

Capital expenditure in the year was £0.8m (2014: £1.3m). Investment has been made in areas related to health and safety compliance, well-found laboratory provision and strategically important investments in leading-edge scientific equipment. The latter includes upgraded capability in mass spectrometry.

### Cash

Group cash at March 2015 was £30.5m (2014: £22.8m). The increase in the year reflects capital funding received and the unrestricted operating surplus generated in the year.

IFR 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 £280,000 (2014: £162,000).

### Reserves position

Total group reserves increased by £8.3m in the year to £39.5m (2014: £5.9m to £31.2m).

Restricted reserves increased by £7.4m to £22.0m, of which £13.1m has been designated in relation to anticipated capital costs associated with a new

building for the Institute as part of the planned development of the centre for food and health.

Unrestricted reserves increased by £0.9m in the year to £17.5m (2014: £16.6m), of which £11.0m has been designated in relation to planned capital and science investment associated with the development of the centre for food and health.

### Reserves policy

IFR's reserves are held to support financial solvency, manage uncertainty and fund future activities. The level of reserves required by IFR 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.

As noted above, £11.0m of unrestricted reserves have been designated in relation to planned capital and science investment associated with the centre for food and health. £6.1m has been designated in connection with IFR's expected capital contribution to the costs of a new building. This reserve is anticipated to be used between 2016 and 2018.

A further £4.9m has been designated in connection with planned investment in new science positions, projects and technology to support the science vision for the new Centre. This reserve is anticipated to be used between 2015 and 2020.

General unrestricted reserves at March 2015 were £4.9m, which compares to the minimum general reserves target of £4.0m set by the Trustees.

### Key Performance Indicators

IFR's key performance indicators are:

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

### Grant proposals

During the year, IFR researchers submitted grant proposals with a sponsor value of £20.1m (2014: £13.4m) and were awarded grants with a value of £1.9m (2014: £3.6m).

# RISK ASSESSMENT AND MANAGEMENT

The Board of Trustees 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 and Risk 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 Board reviews a full risk report annually, including a 'heat map' tracking major risks.

## Principal risks and uncertainties

Risk area	Description of Risk	Management of Risk
<b>Future BBSRC research funding</b>	<ul style="list-style-type: none"> <li>➤ BBSRC strategic funding is reduced as a result of poor scientific performance or public sector spending pressures.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Regular monitoring of scientific performance against strategic programme objectives.</li> <li>➤ Regular communication with BBSRC to report performance and ensure strategic alignment of research programmes.</li> <li>➤ Monitoring of performance of competitive grant submissions.</li> </ul>
<b>Staff retention and recruitment</b>	<ul style="list-style-type: none"> <li>➤ IFR is unable to retain or attract suitably skilled staff to enable it to sustain its scientific performance.</li> <li>➤ In addition to scientific impact, this risk area could also have an impact on the level of funding the institute is able to attract.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Strategy and action plans in place, monitored by Strategic Human Resources Group.</li> <li>➤ Career development programmes in place to support high potential staff.</li> <li>➤ Performance Management processes in place.</li> </ul>
<b>Estates</b>	<ul style="list-style-type: none"> <li>➤ IFR's ageing estate facilities do not adequately support the delivery of its scientific objectives.</li> <li>➤ Funding is inadequate to sustain and improve facilities necessary to support scientific objectives.</li> <li>➤ Estates maintenance and infrastructure costs are too high, threatening long-term financial sustainability and the competitiveness of IFR's science.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Planning in connection with the centre for food and health incorporates a new building for IFR's operations. £19.2m of reserves have been designated at March 2015 to support building costs.</li> <li>➤ 10-year Estates Strategy in place.</li> <li>➤ Regular communication with BBSRC on Estates Strategy and potential funding requirements.</li> <li>➤ Facilities management systems are being enhanced.</li> </ul>
<b>Technology investment</b>	<ul style="list-style-type: none"> <li>➤ IFR is unable to keep pace with developments in technology underpinning its science.</li> <li>➤ Funding is inadequate to sustain and improve technology facilities necessary to support scientific objectives.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Technology strategy is kept under regular review and funding opportunities identified and pursued for technology investments.</li> <li>➤ IFR is part of an NRP research facilities group established to enhance sharing and utilisation of capabilities.</li> </ul>
<b>Compliance with sponsor funding requirements</b>	<ul style="list-style-type: none"> <li>➤ IFR fails to comply with sponsor grant requirements resulting in a material financial impact.</li> </ul>	<ul style="list-style-type: none"> <li>➤ IFR is subject to regular reviews of its grant compliance processes from sponsors and the Research Council's UK internal auditors.</li> </ul>
<b>Major biological or site incident</b>	<ul style="list-style-type: none"> <li>➤ A major incident disrupts scientific research programmes or administrative systems.</li> <li>➤ A major incident damages IFR's reputation impacting on future funding and collaborative opportunities.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Review of compliance with health &amp; safety and relevant regulations from government agencies and internal auditors.</li> <li>➤ Disaster recovery and Business Continuity plans in place and tested periodically.</li> <li>➤ Appropriate insurance arrangements in place.</li> </ul>

# TRUSTEES' REPORT - GOVERNANCE AND MANAGEMENT

## Organisation and governance

IFR is a company limited by guarantee (registered number 03009972) and a registered charity (number 1058499). IFR is governed by its Memorandum and Articles of Association, adopted 24 September 2012.

These financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities issued in March 2005, and the applicable UK accounting standards and the Companies Act 2006.

## Members

The Members of IFR are:

- The Biotechnology and Biological Sciences Research Council ("BBSRC");
- University of East Anglia ("UEA"); and
- The Chair of the Board of Trustees.

BBSRC and UEA each have the right to nominate an "observer" to attend Board meetings. Observers are not entitled to vote and do not hold any authorities.

The Members are all guarantors of IFR, a company limited by guarantee and a registered charity, of an amount not exceeding £1, and for a year after resignation.

## Board of Trustees

The Board of Trustees comprises the Chair and up to eight additional members.

The Board has established Board sub-committees to assist the Trustees in exercising their company and charity stewardship responsibilities. The Audit and Risk Committee, chaired by Mr Steve West, oversees internal controls, risk management and audit. The Remuneration and Nominations Committee, chaired by Mr Ian Black, considers remuneration, nominations, talent and succession.

The Trustees, in conjunction with the Institute Director, have also formed a Science Impact and Advisory Committee to assist the development and maintenance of IFR's science in relation to direction, balance, strategic relevance and quality.

## Recruitment, induction and training of Trustees

The Remuneration and Nominations Committee leads the process for Board appointments and makes recommendations to the Board for the appointment of the Chair and Board Trustees. The appointment to Chair is made in agreement with the Members.

The Committee makes recommendations to the Board on the Board's composition ensuring that the Board has an appropriate balance of skills, capabilities,

expertise, experience and diversity to allow it to meet its strategic and organisational objectives.

The Institute advertises nationally for prospective Trustees to ensure appropriate expertise on the Board is maintained. The Institute will also approach individuals thought to have the right skills.

New Board Trustees are invited to spend time with members of the executive team. This is a chance to learn about the Institute and identify opportunities to get more involved with IFR's work.

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

## Trustee remuneration

IFR remunerates Trustees where the Board considers payment is necessary to attract Trustees with specialist skills and experience. The power to remunerate Trustees is included in IFR's Articles of Association and has been approved by the Charities Commission.

During the year, Mr Ian Black received remuneration of £9,300 (2014: £1,800) in connection with his role as Chair of the Remuneration and Nominations Committee. No other Trustees received remuneration in the year in respect of their role as trustee director (2014: none). Eight members of the Board of Trustees were reimbursed for travel expenses incurred during the year (2014: nine). The total amount reimbursed was £8,847 (2014: £8,311).

## Decision making

The Trustees delegate management of the day-to-day activities of the charitable company to the Director of the Institute and Executive Board. The Executive Board (EB) works to support the Institute Director in developing scientific, financial, business and administrative policy and strategy.

EB will monitor policy implementation and ensure that such policy is embedded in the day-to-day working of the Institute. Its membership is as follows:

- Director (Chair);
- Chair Science Strategy Board;
- Leader Food and Health ISP;
- Deputy Leader Gut Health and Food Safety ISP (nominated senior scientific representative);
- Deputy Director Science Operations;
- Head of Corporate Affairs and Communications;
- Finance Director;
- Head of Contracts (NBI Partnership Coordinator);
- Head of HR.

EB is supported by the executive Science Strategy Board and the Management Forum.

#### **BBSRC funding**

IFR is strategically funded, along with seven other institutes, by BBSRC. BBSRC supports IFR 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 are 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.

#### **Employees**

##### *BBSRC Deployed Employees*

All staff employed by IFR on 30 September 2011 ("the Deployed Employees") became BBSRC employees on 1 March 2012 and were deployed back to the Institute under conditions set out in the Deployment Agreement. The employees were previously employed by IFR and subject to BBSRC terms and conditions. IFR retains responsibility for paying employment costs in relation to the Deployed Employees, including basic pay and allowances, contractual payments, tax, NI and pension contributions. IFR does not have any liability for pensions for the Deployed Employees other than for monthly employer contributions, the rate of which is determined by the Government Actuary's Department on a periodic basis.

##### *Institute Employees*

Aligned to the timing of the Deployment Agreement, IFR has recruited all new staff on its own Terms and Conditions, covering basic pay and allowances, contractual payments, tax, NI, and liabilities for pension contributions and redundancy.

##### *Communication*

IFR provides all staff with relevant information, and seeks their views on matters of common concern through their representatives and through line

managers. Priority is given to ensuring that employees are aware of all significant matters affecting IFR's position and any significant organisational changes.

#### *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.

#### **Going Concern**

In light of the continued pressure on public sector funding, the Trustees 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 2019, and the level of unrestricted reserves, the Trustees have concluded that it remains appropriate to prepare the financial statements on a going concern basis.

#### **Related Parties**

##### *Subsidiaries and Related Parties*

IFR's trading subsidiaries – IFR Enterprises Limited and IFR Extra Limited - contributed a profit of £284,000 (2014: £55,000), before gift aid payments.

##### *Associates*

IFR has a 25% interest in NBI Partnership Limited ("NBIP"). NBIP supplies support and administrative services to IFR and the other Norwich Institutes (John Innes Centre, The Genome Analysis Centre and The Sainsbury Laboratory) on a not-for-profit basis. NBIP fully recharges its costs to the four research organisations and accordingly it generates no profit or loss.

##### *Norwich Research Partners LLP*

IFR became a member of NRP LLP on 7 August 2012 through its 100% subsidiary, IFR NRP Capital Limited. IFR 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 TRUSTEES' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND FINANCIAL STATEMENTS

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

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make 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 Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees confirm that:

- so far as each trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken as Trustees 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 Trustees 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.

### Public benefit

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

### 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.

### Independent auditors

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

On behalf of the Board of Trustees



Dr T Brears, Trustee Chair

28 October 2015

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE INSTITUTE OF FOOD RESEARCH

We have audited the financial statements of The Institute of Food Research 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 Trustees and auditors

As explained more fully in the Statement of Trustees' Responsibilities set out on page 23, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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 matter 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 Trustees' 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

2 November 2015

**FINANCIAL STATEMENTS**  
**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		9,764	3,032	-	12,796	12,144
Capital and maintenance grants		-	52	8,249	8,301	6,290
Other charitable income		391	-	-	391	666
<i>Income from generated funds</i>						
Trading income		737	-	-	737	725
Investment income - interest receivable		280	-	-	280	168
<b>Total incoming resources</b>	2	11,172	3,084	8,249	22,505	19,993
<b>Resources expended</b>						
Charitable activities		(10,220)	(2,281)	(1,295)	(13,796)	(13,306)
Costs of generating funds		(152)	-	-	(152)	(151)
Governance costs		(132)	-	-	(132)	(131)
Trading expenditure		(377)	-	(7)	(384)	(646)
<b>Total resources expended</b>	3	(10,881)	(2,281)	(1,302)	(14,464)	(14,234)
<b>Operating surplus</b>	6	291	803	6,947	8,041	5,759
<i>Transfers</i>						
Capital transfers		(195)	-	195	-	-
Other transfers		803	(803)	-	-	-
Revaluation of tangible fixed assets	9	-	-	244	244	109
<b>Net movement in reserves</b>		899	-	7,386	8,285	5,868
Reserves brought forward	18	16,601	-	14,637	31,238	25,370
<b>Reserves carried forward</b>	18	17,500	-	22,023	39,523	31,238

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 30 to 42 form part of these financial statements.

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

	<b>Total 2015</b>	<b>Total 2014</b>
	<b>£000</b>	<b>£000</b>
Operating surplus	<b>8,041</b>	<b>5,759</b>
Difference between historical cost depreciation and actual depreciation charge for the year calculated on the revalued amount	<b>(144)</b>	<b>(185)</b>
<b>Operating surplus on a historical cost basis</b>	<b>7,897</b>	<b>5,574</b>

The notes on pages 30 to 42 form part of these financial statements.

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

	Group 2015 £000	Group 2014 £000	Company 2015 £000	Company 2014 £000
Tangible assets	10,542	10,860	10,531	10,847
Intangible assets	12	-	12	-
<b>Total fixed assets</b>	<b>10,554</b>	<b>10,860</b>	<b>10,543</b>	<b>10,847</b>
<i>Current assets</i>				
Debtors	5,576	2,984	5,621	2,917
Cash at bank and in hand	30,469	22,821	30,022	22,514
	36,045	25,805	35,643	25,431
<i>Current liabilities</i>				
Creditors: amounts falling due within one year	(6,791)	(4,992)	(6,649)	(4,636)
<b>Net current assets</b>	<b>29,254</b>	<b>20,813</b>	<b>28,994</b>	<b>20,795</b>
<b>Total assets less current liabilities</b>	<b>39,808</b>	<b>31,673</b>	<b>39,537</b>	<b>31,642</b>
Provisions for liabilities and charges	(285)	(435)	(285)	(435)
<b>Net assets</b>	<b>39,523</b>	<b>31,238</b>	<b>39,252</b>	<b>31,207</b>
<b>Funds</b>				
<i>Unrestricted funds</i>				
Fixed assets reserve	1,601	1,285	1,590	1,272
Designated strategic reserve	10,986	10,000	10,986	10,000
General reserve	4,913	5,316	4,653	5,298
	17,500	16,601	17,229	16,570
<i>Restricted funds</i>				
Fixed assets reserve	8,953	9,575	8,953	9,575
Designated capital reserve	13,070	5,062	13,070	5,062
	22,023	14,637	22,023	14,637
<b>Total funds</b>	<b>39,523</b>	<b>31,238</b>	<b>39,252</b>	<b>31,207</b>

IFR includes in its financial statements leasehold land and buildings, that it leases for nil consideration but which are owned by third parties, at their full freehold value. The Trustees consider that in substance the risks and rewards of ownership of the assets have passed to the Institute, and as such follow a policy of recognising the assets on the balance sheet to reflect the continuing occupancy of these assets for the foreseeable future.

The financial statements, on pages 25 to 42 were approved by the Board of Trustees on 28 October 2015 and were signed on its behalf by:



Dr T Brears, Trustee Chair


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

	<b>Total 2015 £000</b>	<b>Total 2014 £000</b>
<b>Reconciliation of operating result to net cash inflow from operating activities</b>		
Operating surplus	8,041	5,759
Interest receivable	(280)	(168)
Depreciation	1,302	1,224
Capital grants received	(8,249)	(5,713)
Loss on disposal of tangible assets	53	15
(Increase)/Decrease in debtors	(2,592)	1,192
Increase/(Decrease) in creditors	1,799	(592)
(Decrease)/Increase in provisions	(150)	146
<b>Net cash (outflow)/inflow from operating activities</b>	<b>(76)</b>	<b>1,863</b>
<b>Return on investments</b>		
Interest received	280	168
<b>Net cash inflow from returns on investment and servicing of finance</b>	<b>280</b>	<b>168</b>
<b>Return on investments and servicing of finance</b>		
Purchase of tangible assets	(808)	(1,270)
Purchase of Intangible assets	(12)	-
Disposal Proceeds	15	-
Capital grants received	8,249	5,713
<b>Net cash inflow from capital expenditure</b>	<b>7,444</b>	<b>4,443</b>
<b>Increase in cash in the year</b>	<b>7,648</b>	<b>6,474</b>

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

		<b>Total 2015 £000</b>	<b>Total 2014 £000</b>
	Note		
Increase in cash in the year		7,648	6,474
Cash and net funds at beginning of year	13	22,821	16,347
<b>Cash and net funds at end of year</b>		<b>30,469</b>	<b>22,821</b>

The notes on pages 30 to 42 form part of these financial statements.



# Notes to the ACCOUNTS

# 1. ACCOUNTING POLICIES

## a. Basis of preparation

The group financial statements have been prepared under the historical cost convention 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 IFR and all its subsidiary undertakings in accordance with Financial Reporting Standard ("FRS") 2 "Accounting for Subsidiary Undertakings".

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 IFR as this is exempted by Section 408 of the Companies Act 2006. The profit after tax of IFR was £7,801,000 (2014: £5,765,000).

## 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 2019, 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 and other miscellaneous income. Grants that provide core funding are recognised in the year in which entitlement passes. Grant funding received to 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.

Trading income relates to the non-charitable services undertaken by IFR Enterprises Limited ("IFRE") and IFR Extra Limited ("IFRX") and is recognised in accordance with the terms of the contracts entered into, reflecting the point at which the obligations of the company have been satisfied.

Capital grants are recognised in the Consolidated Statement of Financial Activities ("SoFA") when entitlement passes, which is typically on receipt.

Where income has been received in advance of conditions being met, the income is deferred until those conditions have been fully satisfied.

## e. Resources expended

Expenditure on charitable activities 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.

Costs of generating funds represent the cost of obtaining funds for research, preparing grant applications and raising the profile of IFR. Costs incurred in preparing grant applications, which primarily comprise staff costs, have been approximated based upon a sample review of time taken to prepare the detailed applications.

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 wholly allocated to charitable activity expenditure based upon activity as indicated in note 4 to the financial statements.

## f. Restricted funds

Where research at IFR 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. The reserve is shown as restricted due to continuing conditions in connection with the capital grants and assets purchased.

Restricted reserves include a designated capital reserve of £13,070,000 (2014: £5,062,000) in connection with funding received from BBSRC, which is intended to be used in connection with a new building for the Institute as part of the planned development of the centre for food and health.

## g. Unrestricted funds

These include the strategic programme grants from the Biotechnology and Biological Sciences Research Council ("BBSRC") and any other grants which do not have specific conditions attached to them.

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 Board for specific purposes are shown in separate designated reserves. As at March 2015, £11.0m of unrestricted reserves have been designated in relation to planned capital and science investment associated with the centre for food and health.

## 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.

## 1. ACCOUNTING POLICIES (continued)

### i. Tangible fixed 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 to write off the cost or valuation less the estimated residual value of tangible assets by equal instalments over their estimated useful economic lives as follows:

Plant and machinery	5 years
Scientific apparatus and equipment	10 years
Motor vehicles	4 years
Other apparatus and equipment	3 to 5 years

The leasehold improvements have been depreciated over the shorter of their estimated economic life and the remainder of the lease period.

Tangible assets under construction are not depreciated until the asset is in full use.

IFR includes in its financial statements leasehold land and buildings, which it leases for nil consideration but which are owned by third parties, at their full freehold value. The Trustees consider that this treatment gives a true and fair view of the nature of the assets which underpin its research and the policy of recognising the assets on the balance sheet reflects its continuing occupancy of these assets for the foreseeable future.

The Trustees have considered this treatment in light of the planned relocation of IFR to a new building as part of the centre for food and health development. As funding for the Centre has not yet been confirmed, the Trustees consider it appropriate to continue to depreciate the current leasehold buildings over their estimated economic life.

### 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 and 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 the operating result for the period, irrespective of whether they are offset by previous gains.

### k. Intangible fixed assets and amortisation

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

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

Computer Software	3 to 5 years
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Intangible assets under construction are not amortised until the asset is in full use.

### l. 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 details are disclosed in note 22 to the financial statements.

### m. Debtors

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

### n. Trade creditors

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

### o. 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.

### p. Staff and Pensions

All staff employed by IFR on 30 September 2011 ("the Deployed Employees") became BBSRC employees on 1 March 2012 and were deployed back to the Institute under conditions set out in the Deployment Agreement. The employees were previously employed by IFR and subject to BBSRC terms and conditions. The Deployment Agreement ensures that the Delegated Employees 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 IFR, subject to the terms of the BBSRC Employment Contract.

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

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

### q. Operating Leases

Rentals payable under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

### r. 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.

### s. 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	Other activities	Total 2015	Total 2014
	£000	£000	£000	£000
<b>Grant income</b>				
BBSRC	10,914	-	10,914	10,736
Other government departments	363	-	363	484
European Union	1,163	-	1,163	738
Universities	6	-	6	13
Other grants	350	-	350	173
<b>Total grant income</b>	<b>12,796</b>	<b>-</b>	<b>12,796</b>	<b>12,144</b>
<b>Capital and maintenance grants</b>				
BBSRC				
Repairs & maintenance	52	-	52	577
Capital expenditure	8,249	-	8,249	5,713
<b>Total capital grants</b>	<b>8,301</b>	<b>-</b>	<b>8,301</b>	<b>6,290</b>
<b>Other charitable income</b>				
BBSRC	-	71	71	324
Miscellaneous income	-	320	320	342
<b>Total other charitable income</b>	<b>-</b>	<b>391</b>	<b>391</b>	<b>666</b>
<b>Trading income</b>				
IFR Enterprises	-	453	453	491
IFR Extra	-	284	284	234
<b>Total trading income</b>	<b>-</b>	<b>737</b>	<b>737</b>	<b>725</b>
<b>Investment income</b>				
Interest receivable on cash deposits	-	280	280	162
Other interest receivable	-	-	-	6
<b>Total investment income</b>	<b>-</b>	<b>280</b>	<b>280</b>	<b>168</b>
<b>Total incoming resources</b>	<b>21,097</b>	<b>1,408</b>	<b>22,505</b>	<b>19,993</b>

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

### 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		6,060	-	448	6,508	6,287
Direct costs		800	186	-	986	900
Depreciation		1,295	-	-	1,295	1,224
Repairs and maintenance of buildings		445	-	-	445	563
Support costs	4	4,389	173	-	4,562	4,332
<b>Expenditure on charitable activities</b>		<b>12,989</b>	<b>359</b>	<b>448</b>	<b>13,796</b>	<b>13,306</b>
Costs of generating funds		152	-	-	152	151
Governance costs		132	-	-	132	131
Trading expenditure		-	-	384	384	646
<b>Total resources expended</b>		<b>13,273</b>	<b>359</b>	<b>832</b>	<b>14,464</b>	<b>14,234</b>

Staff costs are allocated based on time spent by staff. Depreciation is allocated based on the usage of assets. Other costs are allocated on the basis of their nature.

Analysis of governance costs	Total 2015 £000	Total 2014 £000
Staff costs	11	12
Other costs	121	119
<b>Total governance costs</b>	<b>132</b>	<b>131</b>

### 4. ALLOCATION OF SUPPORT COSTS

	Research activities £000	Student activities £000	Total 2015 £000	Total 2014 £000	Basis of Allocation
Lab management	51	2	53	65	Headcount
Institute management	206	8	214	188	Headcount
Scientific services	395	16	411	158	Headcount
Facilities management*	862	34	896	856	Headcount
Finance and Purchasing*	284	11	295	358	Headcount
Computing and Library*	421	17	438	519	Headcount
Human Resources*	133	5	138	145	Headcount
Public engagement*	138	5	143	189	Headcount
Health and Safety	83	3	86	101	Headcount
Support cost utilities	437	17	454	392	Headcount
Other support services*	1,379	55	1,434	1,361	Headcount
<b>Total support costs</b>	<b>4,389</b>	<b>173</b>	<b>4,562</b>	<b>4,332</b>	

\*Includes services supplied by NBI Partnership Limited (see note 21).

## 5. TAXATION

The Institute of Food Research ("IFR") 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 profits in the year are gifted to the charitable company resulting in a £nil (2014: £nil) tax charge.

## 6. OPERATING SURPLUS

Operating surplus is stated after charging:

	Total 2015 £000	Total 2014 £000
Audit services:		
Fees payable for the audit of the charitable company and consolidated financial statements	16	16
Fees payable for the audit of the charitable company's subsidiaries pursuant to legislation	4	4
Non-audit services:		
Other fees payable to the charitable company's auditors	1	-
Depreciation	1,302	1,224
Hire of plant and equipment	45	50
Loss on disposal of tangible assets	53	15
Loss on foreign exchange translations	38	15

## 7. REMUNERATION OF THE BOARD OF TRUSTEES

IFR has been given approval by the Charities Commission to remunerate Trustees where the Board considers that payment is necessary to attract Trustees with specialist skills and experience. The power to remunerate Trustees is included in the IFR's Articles of Association.

One member of the Board of Trustees, Mr Ian Black, received remuneration from the group during the year for his duties as a Trustee (2014: one). Total trustee remuneration in the year was £9,300 (2014: £1,800).

Eight members of the Board of Trustees were reimbursed for expenses incurred during the year (2014: nine). The total amount reimbursed was £8,847 (2014: £8,311).

## 8. EMPLOYEE INFORMATION

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

Group and charitable company	2015 Number	2014 Number
Scientific	143	134
Office management and services	14	15
<b>Total</b>	<b>157</b>	<b>149</b>

The aggregate payroll costs of these persons were:

	Note	2015 £000	2014 £000
Wages and salaries		5,272	5,279
Social security costs		454	436
Other pension costs	20	1,086	1,075
<b>Total</b>		<b>6,812</b>	<b>6,790</b>

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:

Group and charitable company	2015 Number	2014 Number
£60,000 - £69,999	4	5
£70,000 - £79,999	3	2
£80,000 - £89,999	-	1
£90,000 - £99,999	2	-
£100,000 - £109,999	-	1
£110,000 - £119,999	1	1
<b>Total</b>	<b>10</b>	<b>10</b>

The number of staff with emoluments greater than £60,000 who are also members of the Research Councils' Pension Schemes was 6 (2014: 4). Two staff with emoluments greater than £60,000 are members of a Defined Contribution Pension Scheme (2014: two).

IFR staff that joined the company prior to 1 October 2011 are subject to BBSRC terms and conditions of service. IFR is expected to meet all staff costs arising from normal activities; however the legal liability for employment rests with BBSRC. IFR staff that joined after 30 September 2011 are employed under IFR terms & conditions.

On 1 June 2013, the Director of IFR (Professor David Boxer) transferred employment from the University of East Anglia (UEA) to IFR. Professor Boxer ceased employment on 31 December 2014. 50% of the Director's staff costs were funded by the UEA. IFR's share of the Director's emoluments during the year was £58,544 (2014: £75,526) and contributions to the University's Pension Scheme amounted to £nil (2014: £1,497).

## 9. TANGIBLE ASSETS

Group	Leasehold land and buildings £000	Plant, machinery and equipment £000	Apparatus and equipment £000	Assets under construction £000	Total £000
<b>Cost/Valuation</b>					
At 1 April 2014	7,272	633	12,504	310	20,719
Transfer	86	160	64	(310)	-
Additions	143	130	414	121	808
Revaluation	13	-	-	-	13
Disposals	-	-	(591)	-	(591)
<b>At 31 March 2015</b>	<b>7,514</b>	<b>923</b>	<b>12,391</b>	<b>121</b>	<b>20,949</b>
<b>Accumulated Depreciation</b>					
At 1 April 2014	-	632	9,227	-	9,859
Charge for the year	231	1	1,070	-	1,302
Revaluation	(231)	-	-	-	(231)
Disposals	-	-	(523)	-	(523)
<b>At 31 March 2015</b>	<b>-</b>	<b>633</b>	<b>9,774</b>	<b>-</b>	<b>10,407</b>
<b>Net book value at 31 March 2015</b>	<b>7,514</b>	<b>290</b>	<b>2,617</b>	<b>121</b>	<b>10,542</b>
<b>Net book value at 31 March 2014</b>	<b>7,272</b>	<b>1</b>	<b>3,277</b>	<b>310</b>	<b>10,860</b>

Charitable company	Leasehold land and buildings £000	Plant, machinery and equipment £000	Apparatus and equipment £000	Assets under construction £000	Total £000
<b>Cost/Valuation</b>					
At 1 April 2014	7,272	633	12,216	310	20,431
Transfer	86	160	64	(310)	-
Additions	143	130	414	116	803
Revaluation	13	-	-	-	13
Disposals	-	-	(591)	-	(591)
<b>At 31 March 2015</b>	<b>7,514</b>	<b>923</b>	<b>12,103</b>	<b>116</b>	<b>20,656</b>
<b>Accumulated Depreciation</b>					
At 1 April 2014	-	632	8,952	-	9,584
Charge for the year	231	1	1,063	-	1,295
Revaluation	(231)	-	-	-	(231)
Disposals	-	-	(523)	-	(523)
<b>At 31 March 2015</b>	<b>-</b>	<b>633</b>	<b>9,492</b>	<b>-</b>	<b>10,125</b>
<b>Net book value at 31 March 2015</b>	<b>7,514</b>	<b>290</b>	<b>2,611</b>	<b>116</b>	<b>10,531</b>
<b>Net book value at 31 March 2014</b>	<b>7,272</b>	<b>1</b>	<b>3,264</b>	<b>310</b>	<b>10,847</b>

All of the tangible assets of the charitable company are used for charitable purposes.

IFR includes in its financial statements land and buildings that it leases, but which are owned by third parties, at their full value. The Trustees consider that this treatment gives a true and fair view of the nature of the assets which underpin its research and the policy of recognising the assets on the balance sheet reflects its continuing occupancy of these assets for the foreseeable future.

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

## 9. TANGIBLE ASSETS (Continued)

Leasehold land and buildings on a historical cost basis are as follows:

<b>Group and charitable company</b>	<b>Total 2015 £000</b>	<b>Total 2014 £000</b>
Historic cost of leasehold land and buildings	14,829	14,600
Aggregate depreciation	(7,117)	(6,742)
<b>Historic cost net book value</b>	<b>7,712</b>	<b>7,858</b>

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 on 31 March 2011. This valuation has been updated to 31 March 2015 using indexation tables.

## 10. INTANGIBLE ASSETS

<b>Group and charitable company</b>	<b>Assets under construction £000</b>	<b>Total £000</b>
<b>Cost/Valuation</b>		
At 1 April 2014	-	-
Additions	12	12
Revaluation	-	-
Disposals	-	-
<b>At 31 March 2015</b>	<b>12</b>	<b>12</b>
<b>Accumulated Depreciation</b>		
At 1 April 2014	-	-
Charge for the year	-	-
Revaluation	-	-
Disposals	-	-
<b>At 31 March 2015</b>	<b>-</b>	<b>-</b>
<b>Net book value at 31 March 2015</b>	<b>12</b>	<b>12</b>
<b>Net book value at 31 March 2014</b>	<b>-</b>	<b>-</b>

The intangible asset relates to internally generated research software.

## 11. INVESTMENT IN SUBSIDIARIES AND ASSOCIATES

### Subsidiaries

The charitable company owns 100% of the ordinary share capital of IFR Enterprises Limited (cost: £3), IFR Extra Limited (cost: £100) and IFR NRP Capital Limited (cost: £1), all of which are incorporated in England. The subsidiaries are used for trading activities.

The subsidiary companies' results for the year were as follows:

Profit and loss account	IFR Enterprises Limited £000	IFR Extra Limited £000	IFR NRP Capital Limited £000	Total 2015 £000	Total 2014 £000
Turnover	460	387	-	847	817
Cost of sales	(317)	(151)	-	(468)	(680)
Gross profit	143	236	-	379	137
Administrative expenses	(28)	(67)	-	(95)	(82)
Gift Aid	-	(44)	-	(44)	(61)
Operating profit retained in subsidiary	115	125	-	240	(6)

The charitable company has committed to provide financial support to IFR Enterprises Limited ("IFRE") and IFR Extra Limited ("IFRX"), and not demand repayment of amounts due to it, in order to enable IFRE and IFRX to meet their liabilities as they fall due – but 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 the IFRE and IFRX for the year ended 31 March 2015.

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

## 12. DEBTORS

Note	Group 2015 £000	Group 2014 £000	Company 2015 £000	Company 2014 £000
<i>Grants receivable:</i>				
from government bodies	688	497	661	369
from other sources	633	791	633	645
Trade debtors	212	204	19	112
Amounts owed by subsidiary undertakings	-	-	271	453
Amounts owed by other related parties	584	753	584	753
Other debtors	3,114	143	3,109	143
Prepayments and accrued income	345	596	344	442
<b>Total amounts falling due within one year</b>	<b>5,576</b>	<b>2,984</b>	<b>5,621</b>	<b>2,917</b>

Other debtors includes £2,947,215 of capital costs incurred by the company in connection with the design of a new centre for food and health building. IFR has incurred these costs pending the creation of a new company to be established to construct the building (CFH Facilities; incorporated 22 May 2015) and IFR is expected to recover the costs it has incurred from CFH Facilities in due course.

## 13. CASH AT BANK AND IN HAND

	Group 2015 £000	Group 2014 £000	Company 2015 £000	Company 2014 £000
Cash at bank	30,466	22,819	30,019	22,512
Cash in hand	3	2	3	2
<b>Total</b>	<b>30,469</b>	<b>22,821</b>	<b>30,022</b>	<b>22,514</b>

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

		Group 2015 £000	Group 2014 £000	Company 2015 £000	Company 2014 £000
	Note				
<i>Grants received in advance:</i>					
from government bodies		616	505	616	462
from other sources		1,612	1,868	1,564	1,618
Amounts owed to subsidiary undertakings		-	-	3	29
Amounts owed to other related parties	21	571	282	571	282
Trade creditors		785	619	752	602
Other creditors		1,327	34	1,276	26
Accruals and deferred income		1,671	1,532	1,658	1,465
Taxation and social security		209	152	209	152
<b>Total amounts falling due within one year</b>		<b>6,791</b>	<b>4,992</b>	<b>6,649</b>	<b>4,636</b>

## 15. RECONCILIATION OF MOVEMENT IN GRANTS RECEIVABLE

Group		Total 2015 £000	Total 2014 £000
	Note		
Grants receivable	12	1,321	1,288
Grants received in advance	14	(2,228)	(2,373)
<b>Net grants received in advance</b>		<b>(907)</b>	<b>(1,085)</b>
Net grants received in advance at beginning of year		(1,085)	(322)
Grant monies received during the year		(13,061)	(14,150)
Grant money released to SOFA during the year		13,239	13,387
<b>Net grants received in advance at end of year</b>		<b>(907)</b>	<b>(1,085)</b>

## 16. PROVISIONS FOR LIABILITIES AND CHARGES

Group and charitable company	Total 2015 £000	Total 2014 £000
Restructuring provision at beginning of year	435	289
Charge in the year	-	258
Utilised	(150)	(112)
<b>Provision at end of year</b>	<b>285</b>	<b>435</b>

The restructuring provision relates to future compensation payments due in connection with a restructuring of the science programme and support functions between 2006 and 2009. Although the restructuring provision is not 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 increase in the provision in the prior year relates to additional liabilities in respect of contributions to lump sum payments for previous employees on retirement.

The provision will be utilised over the period to March 2017.

## 17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Fixed assets £000	Net current assets £000	Creditors over one year and provisions £000	Total 2015 £000
<b>Group</b>				
<i>Unrestricted:</i>				
Fixed assets reserve	1,601	-	-	1,601
Designated strategic reserve	-	10,986	-	10,986
General	-	5,198	(285)	4,913
<i>Restricted:</i>				
Fixed assets reserve	8,953	-	-	8,953
Designated capital reserve	-	13,070	-	13,070
<b>Net assets</b>	<b>10,554</b>	<b>29,254</b>	<b>(285)</b>	<b>39,523</b>
<b>Charitable company</b>				
<i>Unrestricted:</i>				
Fixed assets reserve	1,590	-	-	1,590
Designated strategic reserve	-	10,986	-	10,986
General	-	4,938	(285)	4,653
<i>Restricted:</i>				
Fixed assets reserve	8,953	-	-	8,953
Designated capital reserve	-	13,070	-	13,070
<b>Net assets</b>	<b>10,543</b>	<b>28,994</b>	<b>(285)</b>	<b>39,252</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 unrestricted designated strategic reserve relates to funds designated by the Board for use in relation to planned capital and science investment associated with the centre for food and health.

The designated capital reserve is not an endowment fund, but represents capital funding received, principally from BBSRC, that has been designated for use in connection with the planned centre for food and health building.

## 18. ANALYSIS OF FUNDS MOVEMENTS

Group	Unrestricted fixed assets £000	Unrestricted designated strategic £000	Unrestricted general £000	Restricted general £000	Restricted fixed assets £000	Restricted designated capital £000	Total 2015 £000
<b>At 1 April 2014</b>	1,285	10,000	5,316	-	9,575	5,062	<b>31,238</b>
Surplus for the year	-	(114)	405	803	(1,061)	8,008	<b>8,041</b>
Revaluation	-	-	-	-	244	-	<b>244</b>
Other transfers	-	-	803	(803)	-	-	-
Designated reserve transfers	-	1,100	(1,100)	-	-	-	-
Capital transfers	316	-	(511)	-	195	-	-
<b>At 31 March 2015</b>	<b>1,601</b>	<b>10,986</b>	<b>4,913</b>	<b>-</b>	<b>8,953</b>	<b>13,070</b>	<b>39,523</b>

### Charitable company

<b>At 1 April 2014</b>	1,272	10,000	5,298	-	9,575	5,062	<b>31,207</b>
Surplus for the year	-	(114)	165	803	(1,061)	8,008	<b>7,801</b>
Revaluation	-	-	-	-	244	-	<b>244</b>
Other transfers	-	-	803	(803)	-	-	-
Designated reserve transfers	-	1,100	(1,100)	-	-	-	-
Capital transfers	318	-	(513)	-	195	-	-
<b>At 31 March 2015</b>	<b>1,590</b>	<b>10,986</b>	<b>4,653</b>	<b>-</b>	<b>8,953</b>	<b>13,070</b>	<b>39,252</b>

"Other transfers" relates to the transfer from restricted to unrestricted funds following the completion of performance conditions in connection with restricted non-capital grant activity. Capital transfers relates to fund movements in connection with fixed assets and depreciation.

During the year, a further £1.1m of unrestricted general reserves were designated for use in connection with the centre for food and health building costs.

## 19. 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	20	-
Annual amounts due under other operating leases for plant and machinery:		
Expiring between two and five years	7	7
	7	7

## 20. PENSIONS

All staff employed by IFR on 30 September 2011 transferred employment to BBSRC on 1 March 2012 and were deployed back to the charitable company. Deployed employees are members of the Research Councils' Pension Scheme ("RCPS"), a defined benefit scheme for multiple employers. IFR does not have any liability for RCPS pensions other than for monthly employer contributions, the rate of which is determined by the Government Actuary's Department on a periodic basis. The employer contribution rate during the year was 26% (2014: 26%).

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

The total pension charge for the year was £1,086,757 (2014: £1,075,044), with outstanding contributions at the year-end of £18,450 (2014: £12,535).

## 21. 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.

### **Biotechnology and Biological Science Research Council (Member)**

The charitable company is strategically funded by BBSRC along with seven other Institutes. During the year, BBSRC charged the charitable company £122,426 (2014: £20,209) for costs.

BBSRC invoiced the charitable company £139,572 (2014: £112,218) in respect of payments made by BBSRC on behalf of the charitable company to employees made redundant following a science restructuring.

Grants received from BBSRC are detailed in note 2.

As at 31 March 2015, BBSRC owed £392,339 (2014: £516,389) to IFR, and IFR owed BBSRC £240,371 (2014: £nil).

### **NBI Partnership Limited (Associate)**

The charitable company is one of four members and guarantors of NBI Partnership Limited ("NBIP"), a company limited by guarantee. IFR has provided short-term loans to NBIP to enable NBIP to manage its cash requirements. At 31 March 2015, IFR had a loan balance with NBIP of £162,000 (2014: £156,944).

During the year, IFR received services totalling £2,035,098 (2014: £2,077,333), received interest from NBIP of £nil (2014: £5,782) and invoiced NBIP £462 (2014: £472) for other services. As at 31 March 2015, IFR owed NBIP £244,051 (2014: £199,031).

### **University of East Anglia (Member)**

The University of East Anglia ("UEA") invoiced IFR £194,665 (2014: £292,758) for salaries and other charges and IFR invoiced UEA £108,627 (2014: £109,828) for services.

As at 31 March 2015, the UEA owed IFR £29,897 (2014: £79,754) and IFR owed UEA £86,843 (2014: £82,683).

### **Ian Black (Trustee Director)**

Mr Ian Black received remuneration in the year of £9,300 (2014: £1,800) in connection with his role as a trustee director. The company also paid Arch Management Consultants Limited, a privately held company founded and directed by Mr Black, £1,200 (2014: £1,500) for consultancy services. At 31 March 2015, IFR owed Arch Management Consultants Limited £nil (2014: £nil).

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

The charitable company holds cash on behalf of the European Union in its capacity as project co-ordinator on a number of projects. It acts as an intermediary only and does not control the risks and rewards associated with the cash balances. Cash balances of £1,277,527 (2014: £1,983,926) are included within the balance sheet.

## 23. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The Trustees consider that there is no ultimate parent undertaking and controlling party.

IFR is the parent undertaking of the smallest and largest group of undertakings to consolidate these financial statements.

## REFERENCE AND ADMINISTRATIVE DETAILS

### Directors and Trustees

Dr T Brears	Chair – Board
Mr I Black	Chair – Remuneration & Nominations Committee
Mr R Dickinson	
Professor D Maskell	
Dr R Platt	
Mr S Walker	
Mr S West	Chair – Audit & Risk Committee
Professor C Williams	

**Director of the Institute** Professor Ian Charles (since 28 April 2015);  
Previously Professor David Boxer (up to 31 December 2014)

**Company Secretary** Mr D Foreman

**Registered charity number** 1058499

**Registered company number** 03009972

**Registered office and principal office of the charity**  
Norwich Research Park  
Colney Lane  
Norwich  
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**Independent auditors**  
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