THE ALAN TURING INSTITUTE
ANNUAL REPORT AND ACCOUNTS FOR THE PERIOD TO 31 March 2016

Tel: +44 (0) 300 770 1912
Company number: 09512457
Charity Number 1162533

British Library
96 Euston Road
NW1 2DB
info@turing.ac.uk
turing.ac.uk
I am delighted to serve as the inaugural Chair of the Alan Turing Institute. It is a great privilege to work with the UK Engineering and Physical Sciences Research Council and our university joint venture partners as we build a world-class data science research institute. Our unique view of data science is based on the breadth of expertise available to us in the Institute, stretching from the computational sciences, to the mathematical sciences, engineering and the social sciences. Our joint venture agreement was signed in March 2015 and became unconditional in July; also in July we announced strategic partnerships with the Lloyd’s Register Foundation and the UK defence and security sector; our director, Andrew Blake, joined us in October; in November we had our public launch, made our first senior academic appointments and announced a strategic partnership with Intel; in January 2016 we launched our doctoral training scheme; by February 2016 we had held over thirty academic scoping workshops to help determine our research strategy, with over 1100 participating scientists ranging from ethicists to machine learners, to topologists and systems experts; and in March 2016 we formed a trading subsidiary and also held interviews for our first cohort of Turing research fellows. As I write this we are joined by thirty researchers for a summer programme and are busily refurbishing space for the 120 or so researchers who will join us in the autumn at the start of our first full academic year.

This breathless pace could not have been sustained without enormous support from all concerned throughout the UK data science community. I would like to thank all of the colleagues who joined us on secondment in the early months of the Institute, the highly professional academic and business team we have built since then and my board colleagues for their continual advice and encouragement. Looking outside of the Institute, I am also deeply grateful to our founding universities, the UK Engineering and Physical Sciences Research Council, the UK Department for Business, Innovation & Skills, the British Library, the Lloyd’s Register Foundation, our UK defence and security sector partners and Intel for all the support they have given us.

For all our hard work, we have merely laid the foundation for what is to come. We anticipate a spectacular start to our academic year in the autumn when we will have the best scientists from the UK and around the world joining us in an interdisciplinary academic environment that will stretch from pure mathematics through statistics into computer science and the social sciences and, working with our strategic partners, into applications across the economy. We aspire to make a major difference to what the UK and the global data science community can achieve, both in developing new theory and by achieving high impact for research.

It would be remiss of me not to refer to the upheaval currently underway in the relationship between the UK and Europe. This is a new source of risk for all and has introduced an unexpected note of caution into our longer-term plans. Like all organisations we will do our best to deal with the consequences of this new uncertainty.

Starting the Institute has been enormously exciting and we are highly optimistic about what the Institute will achieve. We will work to achieve our vision to become a world leader in data science research and innovation, and to be a great resource for the UK’s data science community, for its businesses and for its society more generally.

Howard Covington
Chair
It is enormously exciting to be leading the Alan Turing Institute. The data economy is developing at a furious pace and on an international scale, and the Institute will bring together some of the brightest minds from the UK and beyond to address the challenges this poses for business, government and society.

The Institute is an independent charity, established as a joint venture between the universities of Cambridge, Edinburgh, Oxford, University College London, Warwick and the UK Engineering and Physical Sciences Research Council following a public competition with international peer review. In addition to these founder members and core funders, strategic partnerships have already been formed with Intel, the UK defence and security sector and the Lloyd’s Register Foundation. We have so far concentrated on building a vibrant presence at our London headquarters with our partners the British Library, but this is just the beginning. To succeed in our mission of creating global impact through research, training and leadership in data science, we will create a rich network of partners and collaborations throughout academia, commerce, industry and government so that we become a true national centre for data science.

Even before I arrived, the Institute began by undertaking a peer-reviewed scientific scoping process to assess the data science landscape and appetite for engagement across the UK and internationally. As summarised in our Scoping Workshop Report, available online at turing.ac.uk, we held over 30 workshops from a total of over 100 submitted proposals to survey the rich data science landscape. At the same time, meetings were held with over 100 leaders from the private, public and third sectors. Together these activities have been crucial in shaping our strategic priorities, as described in our recently published Shaping our Strategy document, also at turing.ac.uk.

Looking forward to the start of our first full academic year of operation in the autumn, we have attracted an impressive array of talent to join us: over 10 newly appointed research fellows from a field of over 300; over 20 new students admitted to our inaugural doctoral programme; and over 80 faculty fellows who will join us part-time from our founding partner universities. I am proud of our commitment to address the gender imbalance that affects many areas of data science. We strongly encourage the participation of female researchers, and have recruited 25-33% female students, research fellows and faculty fellows in our first year of appointments.

Starting up an institute of this size and ambition is a complex undertaking. It has required the time and dedication of many people. I would like to thank everyone who has contributed to our strong start, including those colleagues who served on the Institute’s interim executive board and interim programme committee. I would also like to thank the members of the academic community who submitted scoping workshop proposals, participated in peer review and panel decisions for workshop proposals or fellowship candidates, organised or joined in scoping workshops, or volunteered their time, efforts and expertise to help enable the rapid launch of the Institute.

After less than a year we have achieved a great deal. The Institute aims to become a major force in the development of the dynamic new discipline of data science. The energy and dedication of the fine team that we have assembled give me great confidence that we are on course to become a world leader in data science research and innovation.

Andrew Blake
Director
The Trustees present their annual report for the period ended 31 March 2016 under the Companies Act 2006 and charities Act 2011 together with the audited accounts for the period.

STRATEGIC REPORT

Review of achievements and performance
The Trustees are focussed on creating a strong start to the academic year in the coming autumn. Already the Institute has made significant progress in laying the foundations for its future success. These achievements include:

- Signing of the joint venture agreement in March 2015, which became unconditional in July 2015;
- Announcing strategic partnerships with the Lloyd’s Register Foundation and the UK defence and security sector, also in July 2015;
- Appointing the director, Andrew Blake, who joined the Institute in October 2015;
- Holding its public launch at the British Library in November 2015;
- Announcing a strategic partnership with Intel, also in November 2015;
- Launching its doctoral training scheme in January 2016, subsequently offering to over 20 new students to join the Institute’s first Autumn 2016 student cohort;
- Holding, by February 2016, over thirty academic scoping workshops to help determine the Institute’s research strategy, with over 1100 participating scientists ranging from ethicists to machine learners, to topologists and systems experts;
- At the same time, meetings were held with over 100 leaders from the private, public and third sectors. Together these activities have been crucial in shaping the Institute’s initial published strategic priorities;
- Appointing more than 80 faculty fellows from the founding partner universities;
- Creating the Institute’s trading subsidiary, Turing Innovations Limited, in March 2016;
- Hiring the Institute’s first research fellows from over 300 exceptional applicants;
- Announcing the Institute’s first research activities in the form of a coordinated summer programme, encompassing interns, small group projects and a series of workshops involving over thirty researchers;
- Agreeing heads of terms, and subsequently signing the lease for the Institute’s home within the British Library in the heart of London’s vibrant Knowledge Quarter.

Financial review and results for the year
The Institute is funded through grants from its founding members and strategic partnerships. Income of £7.7m has been received during the period. Expenditure of £1.4m has mainly been on the Institute’s startup costs. A surplus of £6.3m has been transferred to reserves and will be used to fund research and Institute costs during 2017 and beyond.

Risks and uncertainties
The Institute’s risk register is reported formally to the audit committee and focused risk reporting on selected themes occurs on a biannual basis.

The Institute has a formal risk management framework embedded within the business to support the identification and effective management of risk across the Institute. Heads of functions are each responsible for managing and reporting risk in accordance with the Institute’s risk management policy and standards that have been approved by the Audit Committee.

In common with similar organisations, the Institute faces many risks and uncertainties. For example, economic instability or political change could impact the funding of research at the Institute or reduce the Institute’s ability to find additional strategic partners and/or achieve financial sustainability. The Institute may become the victim of a cyber attack. It may not achieve its ambition of becoming a national institute. It may not be able to deliver effectively its science and innovation strategy.

The Board of Trustees seeks to ensure that these risks are mitigated, so far as reasonably possible, by actions taken by the Institute’s management team. This mitigation includes prudent financial management of the Institute such that it can react to changes in external funding in an agile, controlled manner; robust security processes both physical and virtual; plans to engage the wider academic and public communities in the work of the Institute; and creating strong feedback loops that will enable impact to be measured and direction of travel to be amended if necessary.

The year ahead
The Institute begins its first year of full operations in autumn 2016 and expects to have more than 100 full-time and part-time academics working at the Institute throughout the year from its founding universities, strategic partners and from the data science community more broadly.
Structure, Governance and Management

Objects
The Institute is governed by its Articles of Association that were adopted on incorporation on 26 March 2015. The charitable Object, as set in its Articles of Association, is the furtherance of education for the public benefit particularly through research, knowledge exchange and public engagement, in the field of data science. The Institute has power to do anything which is calculated to further its object or is conducive or incidental to doing so. In particular, the Institute intends to: produce world-class research in the foundations of data science; have a transformative impact on the way that data and algorithms are used in the economy, in government and in society; and educate and train data scientists.

The Trustees confirm that they have paid due regard to the public benefit guidance published by the Charity Commission and have referred to the guidance when reviewing their aims and objectives and in planning future activity. In shaping their objectives for the year and planning their activities, the Trustees have considered the Charity Commission’s guidance on public benefit, including the guidance ‘public benefit: running a charity (PB2)’.

Organisational Management
The Trustees are responsible for ensuring that the aims of the Institute are being met. The Trustees set strategy, decide priorities, establish funding policies and allocate budgets. The Trustees develop and agree the overall strategy and policies related to research, knowledge exchange and public engagement, in the field of data science. The Trustees have delegated the day-to-day management of the Institute to the Institute Director. The Trustees have set up the following committees:

- A Programme Committee to support the Institute Director in the preparation of the Institute’s Scientific and Innovation Strategy.
- A Science Committee to support the Institute Director in running the Institute’s scientific programmes.
- A Remuneration Committee to advise the Board of Trustees and oversee the preparation of policies and procedures in respect of salaries, emoluments and conditions of service and to approve, in line with these approved policies and procedures, the total remuneration package for the Chairman of the Institute, the Institute Director and those senior staff reporting directly to the Institute Director. The criterion for setting pay is the market rate taking into account industry standards. The remuneration policy will be finalised during the forthcoming year.
- A Nomination Committee responsible for all aspects of the appointment of trustees to the Board of Trustees.
- An Audit Committee for matters of internal control, risk management in conjunction with the Board of Trustees, compliance with reporting requirements and liaison with auditors.
- A Scientific Advisory Board will be formed in due course to advise the Institute Director and the Board of Trustees on the Institute’s science programmes.

The Trustees will set up other committees as necessary to provide assistance in their Board’s duties. The executive team, led by the Institute Director, reports directly to the Board of Trustees and is responsible for the day-to-day management of the Institute’s operations and activities. The Institute has a clear organisation structure, with documented lines of authority and responsibility for control. The Board of Trustees approves the annual budget and expenditure targets and monitors actual and forecast budgets and cash flows.

Related Parties
The Institute is a private company limited by guarantee. Its founder members are the Engineering and Physical Sciences Research Council and the Universities of Cambridge, Edinburgh, Oxford, University College London and Warwick.

The Institute has a wholly owned subsidiary, Turing Innovations Limited (company registration number 10015591) which exists to manage trading activity. Any surplus funds generated by this subsidiary will be transferred to the Institute as gift-aid.

Reserves Policy
As part of the annual planning and budget-setting process the Trustees will review and approve the level of readily available reserves (i.e., those funds that are not restricted or tied up as fixed assets), and in particular ensure that the Unrestricted General Reserve is appropriate to the scale, complexity and risk profile of the Institute. The level of reserves will be set to provide a comfort level for shortfalls in grants and to underpin cash flow and budgetary risks, taking an overall view of the annual operational expenditure and level of comfort required. As of 31 March 2016 the General Unrestricted Funds amounted to £1m. This takes into consideration the funding base described below.

A grant of £42 million has been made to the Institute by the UK Engineering and Physical Sciences Research Council (EPSRC) to enable the Institute to carry out its charitable objectives. This grant is split between operating resource of £22 million and capital of £20 million. The grant may not be used for any other purpose without the prior written consent of EPSRC. The first drawdown notice in respect of this grant was issued in December 2015 and the grant expires on 31 March 2022. The annual budget is prepared in consultation with EPSRC and sets out the amount of the grant to be paid to the Institute in the next financial year, and the payment profile for that financial year, with the intention that the profiled payments over the financial year will accord with the Institute’s cash flow requirement.
An aggregate grant of £25 million has been made to the Institute by the University of Cambridge, the University of Edinburgh, the University of Oxford, University College London and the University of Warwick. Payments from the grant started on 1 October 2015. The grant is payable quarterly in advance in equal instalments of £250,000 until 30 September 2020. The Institute may use the grant only for research activities which are in furtherance of its objectives. The grant may not be used to fund the provision of accommodation and other capital expenditure or for any other purpose without the prior written consent of the grantors.

A grant of £10 million over five years made by the Lloyd’s Register Foundation (LRF) started on 2 October 2015. The Institute may use the grant to fund a programme of activities to support data-centric engineering.

A grant of cash and contribution in kind made by Intel Corporation UK Limited (Intel) started on 4 January 2016. The Institute will collaborate with Intel to develop next-generation high-performance computing and data analytics. Certain licences and intellectual property rights will be owned by Turing Innovations Limited (TIL) in accordance with an agreement between TIL and Intel entered into on 25 February 2016.

The Trustees have reviewed the annual budget and cash flow forecast and considered risk related to funding, cash holdings and working capital needs. Reserves and arrangements for funding the Institute are judged to be adequate. The Trustees are satisfied with the reserves policy for operations from July 2016. This policy was considered as part of the operational financial plan.

**Investment policy**

At this stage of the establishment of the Institute the investment policy is confined to the management of short term liquid funds. The investment principle is to achieve the secure investment of excess cash resources of a short term nature, diversified to ensure the limited concentration of investment.

Assets are safeguarded by investing with approved counterparties. Investments are risk averse and non-speculative, and the Institute places no income reliance on interest earned. Investments are selected to ensure security, liquidity and diversification. The Institute investment return objective is to ensure that investments earn a market rate of interest consistent with maintaining security and liquidity while ensuring that cash is not invested in assets at risk of capital loss.

**Grant-Making Policy**

A grant-making policy is being established and will contribute to the Institute’s objectives and strategic aims.

**Board Composition**

The Board of Trustees has been established in accordance with the terms of an agreement between the six founder institutions (Founders), dated 30 March 2015.

The board composition is determined as follows: each founding shareholder (Founder) may appoint one Trustee. Founders may, by a unanimous decision, select and appoint an independent Trustee who acts as chair of the Board and may from time to time remove and replace such independent Trustee by a unanimous decision of the Founders. The appointed Trustees may appoint further independent Trustees such that, so far as possible, the total number of Trustees on the Board at any particular time will be an odd number. The Trustees appointed by the Founders must always form a majority of the Board and may from time to time remove and replace independent Trustees. A tailored induction programme is provided for Trustees on appointment.

**Trustees’ Responsibilities Statement**

The Trustees are responsible for preparing the Trustees’ 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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice, GAAP) including FRS 102 ‘The Financial Reporting Standard Applicable in the UK and Ireland’. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the result for that year. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue its activities.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Institute’s transactions, disclose with reasonable accuracy at any time the financial position of the Institute 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 Institute and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included
on the Institute’s website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to the auditor
The Trustees who held office at the date of approval of this Trustees’ report confirm that, so far as they are each aware, there is no relevant audit information of which the Institute’s auditor is unaware; and each trustee has taken all the steps that they ought to have taken as a trustee to make themselves aware of any relevant information and to establish that the Institute’s auditor is aware of that information.

Kingston Smith were appointed as auditors by the Board on 11 November 2015 and have indicated their willingness to be reappointed for another term.

Signatory
The Trustees’ Annual Report is approved by the Trustees of the Charity. The Strategic Report, which forms part of the Annual Report, is approved by the Trustees in their capacity as directors in company law of the Charity.

Howard Covington
Chair
30 June 2016
INDEPENDENT AUDITORS REPORT AND ACCOUNTS

LEGAL AND ADMINISTRATIVE INFORMATION

The Charity is registered and is a company limited by guarantee governed by its Articles of Association dated 26 March 2015.

Company Number: 09512457.
Charity Number: 1162533.

Directors/Trustees
The subscribers/directors of the Charitable company (the Charity) are its trustees for the purposes of charitable law and throughout this report are collectively referred to as the trustees. The trustees serving during the period and since the period end were as follows:

Trustees
John Aston
Appointed 22 July 2015
Howard Covington
Appointed 22 July 2015
Anthony Finkelstein
Appointed 22 July 2015
Peter Grindrod
Appointed 22 July 2015
Timothy Jones
Appointed 22 July 2015
Richard Kenway
Appointed 22 July 2015
Neil Viner
Appointed 26 March 2015
Jane Nicholson
Appointed 26 March 2015
Resigned 22 July 2015
Philip Nelson
Appointed 26 March 2015
Resigned 22 July 2015

Key Management Personnel
Andrew Blake
Institute Director
Patrick Wolfe
Deputy Institute Director
Jonathan Atkins
Chief Operating Officer
Appointed 8 March 2015
David Montgomery
Interim Chief Operating Officer
(appointed 1 October 2015, resigned 9 March 2016)

Registered Office
British Library
96 Euston Road
London
NW1 2DB

Auditors
Kingston Smith LLP
Chartered Accountants
Devonshire House
60 Goswell Road
London
EC1M 7AD

Bankers
Barclays
Leicester
Leicestershire
LE87 2BB
Independent Auditors’ Report to the Members of The Alan Turing Institute

We have audited the financial statements of The Alan Turing Institute for the period ended 31 March 2016 which comprise the Statement of Financial Activities (the Summary Income and Expenditure Account), the Balance Sheet, the Statement of Cash Flows 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) including FRS 102 ‘The Financial Reporting Standard Applicable in the UK and Ireland’.

This report is made solely to the charitable company’s members, as a body, in accordance with Chapter 3 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 any party other than the charitable company and charitable company’s 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 Trustees’ Responsibilities Statement, 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company’s circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees’ Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

• give a true and fair view of the state of the charitable company’s affairs as at 31 March 2016 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
• have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
• have been properly prepared in accordance with the requirements of the Companies Act.

Opinion on other matters prescribed by the Companies Act

In our opinion the information given in the Trustees’ Annual 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 or returns adequate for our audit have not been received from branches not visited by us; or
• the financial statements are not in agreement with the accounting records and returns; or
• certain disclosures of trustees’ remunerations specified by law are not made; or
• we have not received all the information and explanations we require for our audit.

Shivani Kothari
for and on behalf of Kingston Smith LLP, Statutory Auditor
Devonshire House
60 Goswell Road
London EC1M 7AD
Date: 2016
# THE ALAN TURING INSTITUTE

## STATEMENT OF FINANCIAL ACTIVITIES

(Incorporating an Income and Expenditure Account)

For the period ended 31st March 2016

<table>
<thead>
<tr>
<th>Note</th>
<th>General Funds £</th>
<th>Restricted Funds £</th>
<th>Total Funds £</th>
</tr>
</thead>
</table>

### INCOME AND ENDOWMENTS

<table>
<thead>
<tr>
<th>Source</th>
<th>General Funds</th>
<th>Restricted Funds</th>
<th>Total Funds</th>
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<td><strong>Donations</strong></td>
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<tr>
<td></td>
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<td></td>
</tr>
<tr>
<td><strong>Investments</strong></td>
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<tr>
<td>Gross interest</td>
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</tr>
<tr>
<td><strong>Charitable activities</strong></td>
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<tr>
<td>Grant income</td>
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</tr>
<tr>
<td><strong>Total Income</strong></td>
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<td></td>
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</table>

### EXPENDITURE

<table>
<thead>
<tr>
<th>Category</th>
<th>General Funds</th>
<th>Restricted Funds</th>
<th>Total Funds</th>
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<tbody>
<tr>
<td><strong>Raising funds</strong></td>
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<tr>
<td><strong>Charitable activities</strong></td>
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<td></td>
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<tr>
<td>Education and research</td>
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</tr>
<tr>
<td><strong>Total Expenditure</strong></td>
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### Reconciliation of Funds

<table>
<thead>
<tr>
<th>Category</th>
<th>General Funds</th>
<th>Restricted Funds</th>
<th>Total Funds</th>
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</thead>
<tbody>
<tr>
<td>Balance brought forward at 26th March 2015</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Balance carried forward at 31st March 2016</td>
<td>15</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## THE ALAN TURING INSTITUTE

### BALANCE SHEET

At 31st March 2016

<table>
<thead>
<tr>
<th>Note</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£</td>
</tr>
<tr>
<td><strong>Fixed Assets</strong></td>
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<tr>
<td>Tangible assets</td>
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<tr>
<td>Investments</td>
<td>14</td>
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<tr>
<td><strong>Total Fixed Assets</strong></td>
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<tr>
<td><strong>Current Assets</strong></td>
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<tr>
<td>Debtors</td>
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<tr>
<td>Cash at bank and in hand</td>
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<tr>
<td><strong>Total Current Assets</strong></td>
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<tr>
<td><strong>Creditors: Amounts falling due within one year</strong></td>
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<tr>
<td><strong>Net Current Assets</strong></td>
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</tr>
<tr>
<td><strong>Net Assets</strong></td>
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<tr>
<td><strong>Funds</strong></td>
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<tr>
<td>Restricted funds</td>
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<tr>
<td>Unrestricted funds</td>
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<tr>
<td>- General funds</td>
<td>18</td>
</tr>
<tr>
<td><strong>Total Funds</strong></td>
<td>18</td>
</tr>
</tbody>
</table>

The financial statements on pages 10 to 22 were approved by the Board and signed on its behalf by:

**Howard Coutis**

Chairman
Date: 30 June 2016

**The Alan Turing Institute**
**Company number - 09512457**
THE ALAN TURING INSTITUTE
STATEMENT OF CASH FLOWS
For the period ended 31 March 2016

<table>
<thead>
<tr>
<th>2016</th>
<th>£</th>
</tr>
</thead>
</table>

**Cash flows from operating activities**

- Net income for the year: 6,340,090
- Adjustments for:
  - Depreciation of tangible fixed assets: 2,381
  - Interest received: 734
  - Increase in debtors: 73,783
  - Increase in creditors: 335,156

**Net cash generated by operating activities**: 6,603,110

**Cash flows from investing activities**

- Purchase of fixed assets: 162,223
- Proceeds from sale of fixed assets: 5,400
- Interest received: 734

**Net cash from investing activities**: 156,089

**Change in cash and cash equivalents in the period**: 6,447,021

**Cash and cash equivalents at beginning of period**: -

**Cash and cash equivalents at end of the period**: 6,447,021
THE ALAN TURING INSTITUTE
Notes to the Financial Statements for the period
ended 31st March 2016

1 Accounting Policies
A summary of the principal accounting
policies adopted, judgements and key
sources of estimation uncertainty, is set
out below.

Basis of Preparation
The financial statements have been
prepared in accordance with the Financial
Reporting Standard applicable in the UK
and Republic of Ireland (FRS 102). The
company is a public benefit entity for the
purposes of FRS 102 and a registered
charity established as a company
limited by guarantee and therefore has
also prepared its financial statements
in accordance with the Statement of
Recommended Practice applicable to
charities preparing their accounts in
accordance with the Financial Reporting
Standard applicable in the UK and
Republic of Ireland (The FRS 102 Charities
SORP), the Companies Act 2006 and
Charities Act 2011.

These financial statements for the period
ended 31 March 2016 are the first
financial statements for the Alan Turing
Institute and The Charity has adopted
FRS 102 when preparing these financial
statements.

Going Concern
The Trustees have assessed whether the use
of the going concern basis is appropriate
and have considered possible events or
conditions that might cast significant doubt
on the ability of the charitable company to
continue as a going concern. The Trustees
have made this assessment for a period
of at least one year from the date of the
approval of these financial statements. In
particular, the Trustees have considered
the charitable company’s forecasts and
projections and have taken account of
pressures on income. After making
enquiries, the Trustees have concluded
that there is a reasonable expectation that
the charitable company has adequate
resources to continue in operational
existence for the foreseeable future. The
charitable company therefore continues to
adopt the going concern basis in
preparing its financial statements.

Income
All income is recognised when there is
entitlement to the funds, the receipt
is probable and the amount can be
measured reliably.

Donations and grants, including grants in
respect of major items of refurbishment,
improvements or the purchase of fixed
assets are recognised in in the Statement
of Financial Activities when receivable.
The amount is included in advance of
meeting any performance-related conditions
there is no unconditional
entitlement to the income and its
recognition is deferred and included in
creditors as deferred income until the
performance-related conditions are met.

Resources Expended
Expenditure is included in the Statement
of Financial Activities on an accruals
basis, inclusive of any VAT which cannot be
recovered. Expenditure is recognised once
there is a legal or constructive obligation to
transfer economic benefit to a third party,
it is probable that a transfer of economic
benefits will be required in settlement
and the amount of the obligation can be
measured reliably.

Cost of Raising Funds
The costs of raising funds consist of
direct costs of raising funds and an
apportionment of overhead, support and
governance costs.

Cost of Charitable Activities
Costs of charitable activities include costs
directly associated with research activities
and an apportionment of overhead,
support and governance costs.

Gifts In Kind
Where goods are provided to the charity as
donation that would normally be
purchased from suppliers this contribution
is included in the financial statements as
an estimated based on the value of the
contribution to the charity.

Tangible Fixed Assets and Depreciation
Depreciation of tangible fixed assets is
calculated to write off their cost or
valuation less any residual value over
their estimated useful lives as follows:

- Leasehold Land and Buildings: Term
- Fixtures, fittings and fittings: 5 years
- IT Equipment & Software: 3 to 5 years
- Tangible fixed assets costing more than
  &1,000 are capitalised.

Fund Accounting
General unrestricted funds are those
available for use at the discretion of the
trustees in furtherance of the general
objectives of the charity and which have
not been designated for other purposes.

Restricted funds are funds which are to
be used in accordance with specific
restrictions imposed by donors.

Cash and Cash Equivalents
Cash and cash equivalents include cash
in hand, deposits held at call with banks,
other short-term liquid investments with
original maturities of three months or less.

Financial Instruments
Basic financial instruments are measured
at amortised cost other than investments
which are measured at fair value.

Employee Benefits
The costs of short-term employee benefits
are recognised as a liability and an
expense.

Critical Accounting Estimates and Areas
of Judgement
In preparing financial statements it is
necessary to make certain judgments,
estimates and assumptions that affect
the amounts recognised in the financial
statements.

In the view of the Trustees in applying
the accounting policies adopted, no
judgements were required that have
a significant effect on the amounts
recognised in the financial statements
nor do any estimates or assumptions
made carry a significant risk of material
adjustment in the next financial year.
## THE ALAN TURING INSTITUTE

Notes to the Financial Statements for the period ended 31st March 2016

### 2 Donations

<table>
<thead>
<tr>
<th></th>
<th>2016 Unrestricted £</th>
<th>2016 Restricted £</th>
<th>2016 Total £</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gifts in kind- rent</td>
<td>86,414</td>
<td>-</td>
<td>86,414</td>
</tr>
</tbody>
</table>

### 3 Grants received

<table>
<thead>
<tr>
<th></th>
<th>2016 Unrestricted £</th>
<th>2016 Restricted £</th>
<th>2016 Total £</th>
</tr>
</thead>
<tbody>
<tr>
<td>EPSRC</td>
<td>2,000,000</td>
<td>750,000</td>
<td>2,750,000</td>
</tr>
<tr>
<td>University of Cambridge</td>
<td>-</td>
<td>750,000</td>
<td>750,000</td>
</tr>
<tr>
<td>The University of Edinburgh</td>
<td>-</td>
<td>750,000</td>
<td>750,000</td>
</tr>
<tr>
<td>University College London</td>
<td>-</td>
<td>750,000</td>
<td>750,000</td>
</tr>
<tr>
<td>University of Oxford</td>
<td>-</td>
<td>750,000</td>
<td>750,000</td>
</tr>
<tr>
<td>University of Warwick</td>
<td>-</td>
<td>750,000</td>
<td>750,000</td>
</tr>
<tr>
<td>Lloyds Register Foundation</td>
<td>-</td>
<td>1,000,000</td>
<td>1,000,000</td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
<td>138,931</td>
<td>138,931</td>
</tr>
</tbody>
</table>

### 4 Cost of raising funds

<table>
<thead>
<tr>
<th></th>
<th>2016 Total £</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketing costs</td>
<td>22,402</td>
</tr>
</tbody>
</table>

22,402
## THE ALAN TURING INSTITUTE

### Notes to the Financial Statements for the period ended 31st March 2016

### 5 Cost of charitable expenditure

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted</th>
<th>Restricted</th>
<th>2016 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>£</td>
</tr>
<tr>
<td>Workshops</td>
<td>-</td>
<td>175,458</td>
<td>175,458</td>
</tr>
<tr>
<td>Other costs</td>
<td>-</td>
<td>10,861</td>
<td>10,861</td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>186,319</td>
<td>186,319</td>
</tr>
<tr>
<td>Support costs (see note 6)</td>
<td>1,177,268</td>
<td>-</td>
<td>1,177,268</td>
</tr>
<tr>
<td></td>
<td><strong>1,177,268</strong></td>
<td><strong>186,319</strong></td>
<td><strong>1,363,587</strong></td>
</tr>
</tbody>
</table>

### 6 Support costs

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Travel and subsistence</td>
<td>35,451</td>
</tr>
<tr>
<td>Office costs</td>
<td>10,760</td>
</tr>
<tr>
<td>Rent (gift in kind- see note 2)</td>
<td>86,414</td>
</tr>
<tr>
<td>Computer running costs</td>
<td></td>
</tr>
<tr>
<td>Salaries and wages</td>
<td>205,908</td>
</tr>
<tr>
<td>Other staff costs</td>
<td></td>
</tr>
<tr>
<td>Contractors</td>
<td>284,033</td>
</tr>
<tr>
<td>Secondments</td>
<td>152,765</td>
</tr>
<tr>
<td>Re-charged salaries</td>
<td>72,807</td>
</tr>
<tr>
<td>Staff training and hospitality</td>
<td>6,686</td>
</tr>
<tr>
<td>Recruitment</td>
<td>25,104</td>
</tr>
<tr>
<td>Telecommunications</td>
<td>19,783</td>
</tr>
<tr>
<td>Computer running costs</td>
<td>65,144</td>
</tr>
<tr>
<td>Legal fees</td>
<td>66,154</td>
</tr>
<tr>
<td>Other professional fees</td>
<td>34,205</td>
</tr>
<tr>
<td>Consultancy</td>
<td>21,625</td>
</tr>
<tr>
<td>Events</td>
<td>64,462</td>
</tr>
<tr>
<td>Sundry costs</td>
<td>7,787</td>
</tr>
<tr>
<td>Governance costs (see note 7)</td>
<td>18,180</td>
</tr>
<tr>
<td></td>
<td><strong>1,177,268</strong></td>
</tr>
</tbody>
</table>
THE ALAN TURING INSTITUTE

Notes to the Financial Statements for the period ended 31st March 2016

7 Governance costs

<table>
<thead>
<tr>
<th>Description</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auditor’s remuneration:</td>
<td></td>
</tr>
<tr>
<td>Audit of the financial statements</td>
<td>£10,740</td>
</tr>
<tr>
<td>Other services</td>
<td>£7,440</td>
</tr>
<tr>
<td></td>
<td>£18,180</td>
</tr>
</tbody>
</table>

8 Net income/(expenditure)

<table>
<thead>
<tr>
<th>Description</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income is stated after charging:</td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>£2,381</td>
</tr>
<tr>
<td>Auditor’s remuneration - See note 7</td>
<td>£18,180</td>
</tr>
</tbody>
</table>

9 Staff costs

<table>
<thead>
<tr>
<th>Description</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff expenses includes the following employee costs:</td>
<td></td>
</tr>
<tr>
<td>Wages and salaries</td>
<td>£174,708</td>
</tr>
<tr>
<td>Social security costs</td>
<td>£31,201</td>
</tr>
<tr>
<td>Other staff costs</td>
<td></td>
</tr>
<tr>
<td>Contractors</td>
<td>£284,033</td>
</tr>
<tr>
<td>Secondments</td>
<td>£152,765</td>
</tr>
<tr>
<td>Re-charged salaries</td>
<td>£72,807</td>
</tr>
<tr>
<td></td>
<td>£715,514</td>
</tr>
</tbody>
</table>

There was no pension scheme in place in the period.

Key management personnel include those involved in executive decision making. The total employee benefits of the charity’s key management personnel were £183,160.

During the period, one employee received emoluments totalling between £110,000 and £120,000.
THE ALAN TURING INSTITUTE
Notes to the Financial Statements for the period ended 31st March 2016

10 Trustees emoluments
Howard Covington received remuneration totalling £15,000 during the period for the purpose of being Chair of the Charity. No other trustee received any remuneration or emoluments.

Three trustees received travelling and accommodation expenses during the period totalling £6,100.

11 Employees

<table>
<thead>
<tr>
<th>Function</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive</td>
<td>4.5</td>
</tr>
<tr>
<td>Human Resources &amp; Finance</td>
<td>4.0</td>
</tr>
<tr>
<td>Communications and Events</td>
<td>2.0</td>
</tr>
<tr>
<td>Research and Training</td>
<td>3.0</td>
</tr>
<tr>
<td>Information Technology</td>
<td>1.5</td>
</tr>
</tbody>
</table>

15.0

12 Taxation
The charity is entitled to certain tax exemptions on income and profits from investments and surpluses on any trading activities carried on in furtherance of the charity’s primary objectives.

13 Tangible Fixed Assets

<table>
<thead>
<tr>
<th>Equipment and Machinery £</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost or valuation</td>
</tr>
<tr>
<td>At 26th March 2015</td>
</tr>
<tr>
<td>Additions</td>
</tr>
<tr>
<td>Disposals</td>
</tr>
<tr>
<td>At 31st March 2016</td>
</tr>
<tr>
<td>Depreciation</td>
</tr>
<tr>
<td>At 26th March 2015</td>
</tr>
<tr>
<td>Charge for the year</td>
</tr>
<tr>
<td>Released on disposal</td>
</tr>
<tr>
<td>At 31st March 2016</td>
</tr>
<tr>
<td>Net Book Value</td>
</tr>
<tr>
<td>At 31st March 2016</td>
</tr>
<tr>
<td>At 26th March 2015</td>
</tr>
</tbody>
</table>
14 Investments in Subsidiaries

<table>
<thead>
<tr>
<th>Cost or valuation</th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td>At 26th March 2015</td>
<td>-</td>
</tr>
<tr>
<td>Additions</td>
<td>1</td>
</tr>
<tr>
<td>At 31st March 2016</td>
<td>1</td>
</tr>
</tbody>
</table>

The investment represents 100% of the share capital of Turing Innovations Limited, a company incorporated in England & Wales. The company was dormant in the period to 31 March 2016 so consolidated accounts have not been prepared.

15 Debtors

<table>
<thead>
<tr>
<th></th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prepayments and accrued income</td>
<td>73,783</td>
</tr>
</tbody>
</table>

16 Creditors: Amounts falling due within one year

<table>
<thead>
<tr>
<th></th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade creditors</td>
<td>198,126</td>
</tr>
<tr>
<td>Taxation and social security</td>
<td>22,463</td>
</tr>
<tr>
<td>Accruals</td>
<td>114,567</td>
</tr>
<tr>
<td></td>
<td>335,156</td>
</tr>
</tbody>
</table>

17 Analysis of Net Group Assets between Funds

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2016</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Fixed Assets</td>
<td>Other Net Assets</td>
<td>Total</td>
</tr>
<tr>
<td>--------------------------------------</td>
<td>------------</td>
<td>-----------------</td>
<td>-------</td>
</tr>
<tr>
<td>Restricted funds</td>
<td>-</td>
<td>5,316,518</td>
<td>5,316,518</td>
</tr>
<tr>
<td>Unrestricted funds:</td>
<td>154,442</td>
<td>869,130</td>
<td>1,023,572</td>
</tr>
<tr>
<td>General funds</td>
<td>154,442</td>
<td>6,185,648</td>
<td>6,340,090</td>
</tr>
<tr>
<td>Balance carried forward 31 March 2016</td>
<td>154,442</td>
<td>6,185,648</td>
<td>6,340,090</td>
</tr>
</tbody>
</table>
### 18 Restricted Funds

<table>
<thead>
<tr>
<th></th>
<th>At 26.03.15</th>
<th>Movement in Resources</th>
<th>Balance 31.03.16</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td><strong>a EPSRC Capital Fund</strong></td>
<td>-</td>
<td>750,000</td>
<td>(136,094)</td>
</tr>
<tr>
<td><strong>b Research Fund</strong></td>
<td>-</td>
<td>3,750,000</td>
<td>(185,616)</td>
</tr>
<tr>
<td><strong>c Lloyd’s Register Foundation Fund</strong></td>
<td>-</td>
<td>1,000,000</td>
<td>(703)</td>
</tr>
<tr>
<td><strong>d Other Research Fund</strong></td>
<td>-</td>
<td>138,931</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>-</td>
<td>5,638,931</td>
<td>(186,319)</td>
</tr>
</tbody>
</table>

**a** The EPSRC Capital Fund was granted by the Engineering and Physical Sciences Research Council for the purposes of capital expenditure on its premises. The transfer represents amounts spent in the period that have been capitalised as fixed assets.

**b** The Research Fund represents amounts received from the charity’s members that must be directly spent on research activities.

**c** The Lloyd’s Register Foundation Fund will finance a research programme that supports data-centric engineering.

**d** Other Research Fund will finance data science research and its application.
19 Related Parties

During the period the following transactions were undertaken with the members of the charity. Other than the amounts noted below, no amounts were due or payable at the period end.

<table>
<thead>
<tr>
<th>Grant income received £</th>
<th>Re-charged expenditure</th>
<th>Period end Debtor/(creditor)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engineering and Physical Sciences Research Council 2,750,000</td>
<td>72,807</td>
<td>(72,807)</td>
</tr>
<tr>
<td>University College London 750,000</td>
<td>22,483</td>
<td>-</td>
</tr>
<tr>
<td>University of Cambridge 750,000</td>
<td>29,325</td>
<td>(13,456)</td>
</tr>
<tr>
<td>University of Oxford 750,000</td>
<td>14,993</td>
<td>-</td>
</tr>
<tr>
<td>University of Edinburgh 750,000</td>
<td>108,912</td>
<td>(18,760)</td>
</tr>
<tr>
<td>University of Warwick 750,000</td>
<td>17,182</td>
<td>-</td>
</tr>
</tbody>
</table>

The re-charged expenditure relates to staff time, administration and workshop costs.

20 Company Status

The charity is a company limited by guarantee. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.