

---

# 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**





---

# CONTENTS

<b>04</b>	Chair's Foreword
<b>05</b>	Director's Foreword
<b>06–09</b>	Trustees' Report
<b>10–22</b>	Independent Auditors Report and Accounts

# CHAIR'S FOREWORD



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 1 100 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*

**Howard Covington**  
Chair

# DIRECTOR'S FOREWORD



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](http://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](http://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.

A handwritten signature in black ink, which appears to read 'Andrew Blake'.

**Andrew Blake**  
Director



---

# TRUSTEES' REPORT

---

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 start-up 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 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.

Kingston Smith LLP

### 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

				2016
	Note	General Funds £	Restricted Funds £	Total Funds £
<b>INCOME AND ENDOWMENTS</b>				
<b>Donations</b>	2	86,414	-	<b>86,414</b>
<i>Investments</i>				
Gross interest		734	-	<b>734</b>
<i>Charitable activities</i>				
Grant income	3	2,000,000	5,638,931	<b>7,638,931</b>
<b>Total Income</b>		<u>2,087,148</u>	<u>5,638,931</u>	<u><b>7,726,079</b></u>
<b>EXPENDITURE</b>				
<i>Raising funds</i>	4	22,402	-	<b>22,402</b>
<i>Charitable activities</i>				
Education and research	5	1,177,268	186,319	<b>1,363,587</b>
<b>Total Expenditure</b>		<u>1,199,670</u>	<u>186,319</u>	<u><b>1,385,989</b></u>
<b>Net income for the period before transfers</b>	8	887,478	5,452,612	<b>6,340,090</b>
<b>Transfers between funds</b>		136,094	(136,094)	-
Net movement in funds		1,023,572	5,316,518	<b>6,340,090</b>
<b>Reconciliation of Funds</b>				
Balance brought forward at 26th March 2015		-	-	-
<b>Balance carried forward at 31st March 2016</b>	15	<u>1,023,572</u>	<u>5,316,518</u>	<u><b>6,340,090</b></u>

# THE ALAN TURING INSTITUTE

## BALANCE SHEET

At 31st March 2016

	Note	2016
		£
<b>Fixed Assets</b>		
Tangible assets	13	154,441
Investments	14	1
		<u>154,442</u>
<b>Current Assets</b>		
Debtors	15	73,783
Cash at bank and in hand		6,447,021
		<u>6,520,804</u>
<b>Creditors: Amounts falling due within one year</b>	16	<u>(335,156)</u>
<b>Net Current Assets</b>		<u>6,185,648</u>
<b>Net Assets</b>		<u>6,340,090</u>
<b>Funds</b>		
Restricted funds	17	5,316,518
Unrestricted funds		
- General funds	18	<u>1,023,572</u>
<b>Total Funds</b>	18	<u>6,340,090</u>

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

*Howard Carington*

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

---

	<b>2016</b> £
<b>Cash flows from operating activities</b>	
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
<b>Net cash generated by operating activities</b>	<u>6,603,110</u>
<b>Cash flows from investing activities</b>	
Purchase of fixed assets	(162,223)
Proceeds from sale of fixed assets	5,400
Interest received	734
<b>Net cash from investing activities</b>	<u>(156,089)</u>
<b>Change in cash and cash equivalents in the period</b>	6,447,021
Cash and cash equivalents at beginning of period	-
<b>Cash and cash equivalents at end of the period</b>	<u><u>6,447,021</u></u>

# 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 the Statement of Financial Activities when receivable. Where income is received in advance of meeting any performance-related conditions there is not 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 a 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 of lease  
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 judgements, 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

	<b>2016 Unrestricted £</b>	<b>2016 Restricted £</b>	<b>2016 Total £</b>
Gifts in kind- rent	86,414	-	86,414
	<u>86,414</u>	<u>-</u>	<u>86,414</u>

### 3 Grants received

	<b>2016 Unrestricted £</b>	<b>2016 Restricted £</b>	<b>2016 Total £</b>
EPSRC	2,000,000	750,000	2,750,000
University of Cambridge	-	750,000	750,000
The University of Edinburgh	-	750,000	750,000
University College London	-	750,000	750,000
University of Oxford	-	750,000	750,000
University of Warwick	-	750,000	750,000
Lloyds Register Foundation	-	1,000,000	1,000,000
Other	-	138,931	138,931
	<u>2,000,000</u>	<u>5,638,931</u>	<u>7,638,931</u>

### 4 Cost of raising funds

	<b>2016 Total £</b>
Marketing costs	22,402
	<u>22,402</u>

# THE ALAN TURING INSTITUTE

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

### 5 Cost of charitable expenditure

	Unrestricted	Restricted	2016 Total £
Workshops	-	175,458	175,458
Other costs	-	10,861	10,861
	<b>-</b>	<b>186,319</b>	<b>186,319</b>
Support costs (see note 6)	1,177,268	-	1,177,268
	<b>1,177,268</b>	<b>186,319</b>	<b>1,363,587</b>

### 6 Support costs

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

# THE ALAN TURING INSTITUTE

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

### 7 Governance costs

	<b>2016</b>
	<b>£</b>
Auditor's remuneration:	
Audit of the financial statements	10,740
Other services	7,440
	<u>18,180</u>

### 8 Net income/(expenditure)

	<b>2016</b>
	<b>£</b>
Net income is stated after charging:	
Depreciation	2,381
Auditor's remuneration - See note 7	18,180
	<u>20,561</u>

### 9 Staff costs

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

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

The average number of employees by function were:

	<b>2016 Number</b>
Executive	4.5
Human Resources & Finance	4.0
Communications and Events	2.0
Research and Training	3.0
Information Technology	1.5

---

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

	<b>Equipment and Machinery £</b>
<b>Cost or valuation</b>	
At 26th March 2015	
Additions	162,222
Disposals	(5,400)
	<hr/>
At 31st March 2016	156,822
	<hr/>
<b>Depreciation</b>	
At 26th March 2015	-
Charge for the year	3,613
Released on disposal	(1,232)
	<hr/>
At 31st March 2016	2,381
	<hr/>
<b>Net Book Value</b>	
At 31st March 2016	154,441
	<hr/>
At 26th March 2015	-
	<hr/>

# THE ALAN TURING INSTITUTE

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

### 14 Investments in Subsidiaries

	<b>Investment in Subsidiary £</b>
<b>Cost or valuation At 26th March 2015</b>	-
Additions	1
At 31st March 2016	1

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

	<b>2016 £</b>
Prepayments and accrued income	73,783

### 16 Creditors: Amounts falling due within one year

	<b>2016 £</b>
Trade creditors	198,126
Taxation and social security	22,463
Accruals	114,567
	335,156

### 17 Analysis of Net Group Assets between Funds

#### At 31 March 2016

	<b>2016 Fixed Assets £</b>	<b>2016 Other Net Assets £</b>	<b>2016 Total £</b>
Restricted funds	-	5,316,518	5,316,518
Unrestricted funds: General funds	154,442	869,130	1,023,572
Balance carried forward 31 March 2016	154,442	6,185,648	6,340,090

# THE ALAN TURING INSTITUTE

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

### 18 Restricted Funds

	<b>At 26.03.15</b>	<b>Movement in Resources</b>		<b>Transfers</b>	<b>Balance 31.03.16</b>
	<b>£</b>	<b>Incoming £</b>	<b>Outgoing £</b>	<b>£</b>	<b>£</b>
<b>a</b> EPSRC Capital Fund	-	750,000	-	(136,094)	613,906
<b>b</b> Research Fund	-	3,750,000	(185,616)	-	3,564,384
<b>c</b> Lloyd's Register Foundation Fund	-	1,000,000	(703)	-	999,297
<b>d</b> Other Research Fund	-	138,931	-	-	138,931
	-	5,638,931	(186,319)	(136,094)	5,316,518

**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.

---

# THE ALAN TURING INSTITUTE

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

---

### 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.

	<b>Grant income received £</b>	<b>Re-charged expenditure</b>	<b>Period end Debtor/(creditor)</b>
Engineering and Physical Sciences Research Council	2,750,000	72,807	(72,807)
University College London	750,000	22,483	-
University of Cambridge	750,000	29,325	(13,456)
University of Oxford	750,000	14,993	-
University of Edinburgh	750,000	108,912	(18,760)
University of Warwick	750,000	17,182	-
	<u>6,500,000</u>	<u>265,702</u>	<u>(105,023)</u>

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.

