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## Section 3

# Financial statements

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**Independent auditor's report to the members  
of The Alan Turing Institute**

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**Opinion**

We have audited the financial statements of The Alan Turing Institute for the year ended 31 March 2021 which comprise the Group Statement of Financial Activities, the Group Summary Income and Expenditure Account, the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 – The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2021 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the requirements of the Companies Act 2006.

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**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

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**Independent auditor's report to the members  
of The Alan Turing Institute**

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**Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement in this other information, we are required to report that fact.

We have nothing to report in this regard.

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**Opinions on other matters prescribed by the  
Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the Trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the Trustees' annual report have been prepared in accordance with applicable legal requirements.

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**Matters on which we are required to report by  
exception**

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

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:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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**Independent auditor's report to the members  
of The Alan Turing Institute**

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**Responsibilities of Trustees**

As explained more fully in the Trustees' responsibilities statement set out on page 87, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the group and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

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**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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**Explanation as to what extent the audit was considered  
capable of detecting irregularities, including fraud**

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.

- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and parent charitable company's internal control.

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**Explanation as to what extent the audit was considered  
capable of detecting irregularities, including fraud  
(cont.)**

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters which 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.

*Moore Kingston Smith LLP*

Shivani Kothari  
For and on behalf of:  
Moore Kingston Smith LLP  
Statutory Auditor

Devonshire House  
60 Goswell Road  
London  
EC1M 7AD

Date: 30 June 2021

**Consolidated Statement of Financial Activities**

Incorporating an income and expenditure account. For the year ended 31 March 2021.

	Note	2021 General Funds £	2021 Restricted Funds £	2021 Total Funds £	2020 Total Funds £
<b>Income and endowments</b>					
Donations	2	814,396	-	814,396	2,112
Other trading activities		3,236,071	-	3,236,071	2,144,408
Investment income		9,285	-	9,285	103,704
Charitable activities					
Grant income	3	17,593,250	15,617,584	33,210,834	33,764,138
<b>Total Income</b>		<b>21,653,002</b>	<b>15,617,584</b>	<b>37,270,586</b>	<b>36,014,362</b>
<b>Expenditure</b>					
Raising funds	4	511,217	-	511,217	655,058
Charitable activities					
Education and research	5	7,033,852	24,142,835	31,176,687	33,828,222
<b>Total Expenditure</b>		<b>7,545,069</b>	<b>24,142,835</b>	<b>31,687,904</b>	<b>34,483,280</b>

**Consolidated Statement of Financial Activities**

Incorporating an income and expenditure account. For the year ended 31 March 2021.

	<b>Note</b>	<b>2021 General Funds £</b>	<b>2021 Restricted Funds £</b>	<b>2021 Total Funds £</b>	<b>2020 Total Funds £</b>
Net income/(expenditure) for the year before transfers	8	14,107,933	(8,525,251)	5,582,681	1,531,082
Transfers between funds	20	(9,928,535)	9,928,535	-	-
<b>Net movement in funds</b>		<b>4,179,398</b>	<b>1,403,284</b>	<b>5,582,681</b>	<b>1,531,082</b>
Reconciliation of Funds					
Balance brought forward at 1 April 2020		16,944,843	7,489,444	24,434,287	22,903,205
<b>Balance carried forward at 31 March 2021</b>	<b>20-21</b>	<b>21,124,241</b>	<b>8,892,728</b>	<b>30,016,968</b>	<b>24,434,287</b>

**Balance sheet — Group and charity**

At 31 March 2021

	Note	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
<b>Fixed Assets</b>					
Tangible assets	13	817,723	1,617,154	811,542	1,586,261
Intangible assets	14	4,200	21,011	-	-
Investments	15	-	-	1	1
		<b>821,923</b>	<b>1,638,165</b>	<b>811,543</b>	<b>1,586,262</b>
<b>Current Assets</b>					
Debtors	16	7,859,687	6,833,483	7,001,411	6,761,575
Investments	17	5,000,000	-	5,000,000	-
Cash at bank and in hand		43,512,437	42,989,425	42,586,824	41,131,542
		<b>56,372,124</b>	<b>49,822,908</b>	<b>54,588,235</b>	<b>47,893,117</b>
<b>Creditors</b>					
Amounts falling due within one year	18	(26,026,978)	(23,140,964)	(24,275,343)	(22,065,778)
<b>Net Current Assets</b>		<b>30,345,146</b>	<b>26,681,944</b>	<b>30,312,892</b>	<b>25,827,338</b>

**Balance sheet — Group and charity**

At 31 March 2021

	Note	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
<b>Creditors</b>					
Amounts falling due in more than one year	19	(1,150,101)	(3,885,822)	(1,150,101)	(3,885,822)
<b>Net Assets</b>		<b>30,016,968</b>	<b>24,434,287</b>	<b>29,974,334</b>	<b>23,527,778</b>
<b>Funds</b>					
Restricted funds	21	8,892,727	7,489,444	8,892,727	7,489,444
Unrestricted funds					
Designated funds	20	1,689,963	1,891,376	1,689,963	1,891,376
General funds	20	19,434,278	15,053,467	19,391,644	14,146,958
<b>Total Funds</b>	<b>21</b>	<b>30,016,968</b>	<b>24,434,287</b>	<b>29,974,334</b>	<b>23,527,778</b>

These financial statements consolidate the results of the Charity and Turing Innovations Limited, its wholly owned trading subsidiary on a line by line basis. A separate Statement of Financial Activities and Income and Expenditure Account are not presented for the Charity itself as the Charity has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006. The net income of the Charity was £6,446,557 (2020: £1,057,356).

The notes on pages 100-134 form part of these financial statements.

The financial statements of The Alan Turing Institute were approved and authorised for issue by the Board of Trustees on 22 June 2021 and signed on its behalf by:



**Howard Covington**  
Chair

**The Alan Turing Institute**  
Company number – 09512457

**Consolidated Statement of Cash Flows**

For the year ended 31 March 2021

	2021	2020
	£	£
<b>Cash flows from operating activities</b>		
Net income for the year	5,582,681	1,531,082
Adjustments for:		
Depreciation of tangible fixed assets	985,652	991,725
Amortisation of intangible fixed assets	16,811	16,811
Interest received	(9,285)	(103,704)
Loss on disposal of tangible fixed assets	-	8,920
Increase /(decrease) in debtors	(1,026,204)	2,913,768
Increase in creditors	150,293	5,328,389
<b>Net cash generated by operating activities</b>	<b>5,699,948</b>	<b>10,686,990</b>

	2021	2020
	£	£
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(186,221)	(450,949)
Interest received	9,285	103,704
<b>Net cash from investing activities</b>	<b>(176,936)</b>	<b>(347,245)</b>
Change in cash and cash equivalents in the period	5,523,012	10,339,746
Cash and cash equivalents at beginning of period	42,989,425	32,649,679
<b>Cash and cash equivalents at end of the period</b>	<b>48,512,437</b>	<b>42,989,425</b>

The Charity has no debt and accordingly no net debt note is presented.

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**Notes to the financial statements**

For the year ended 31 March 2021

# 1.

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**Accounting policies**

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

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**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 Charitable Company and its subsidiary is a public benefit group for the purposes of FRS 102 and therefore the Charity 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 under the provision of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410) and the Charities Act 2011.

The financial statements are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest pound.

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**Going concern**

The Trustees have assessed whether the use of 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.

The Trustees have assessed the consequences of the current COVID-19 pandemic and recognise that whilst this will impact the research funding landscape in the UK and internationally, the Charity's reserves are such that it expects to maintain positive cash flows and reserves for at least one year from the date of approval of these financial statements and as such the Trustees are confident that the Charity will continue to operate as a going concern.

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**Notes to the financial statements**

For the year ended 31 March 2021

1.

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**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.

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**Government grants**

Grant income includes Government grants of £48,053 received in respect of furloughed employees under the Coronavirus Job Retention Scheme.

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**Expenditure**

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.

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**Expenditure (cont.)**

Grants payable are payments made to third parties in the furtherance of the charitable objects of the Charity. Unconditional grant offers are accrued once the recipient has been notified of the grant award and its payment is probable. Grant awards that are subject to the recipient fulfilling performance or other conditions are accrued when the recipient has been notified of the grant and either the performance condition is met or any remaining unfulfilled condition attaching to the grant is outside of the control of the Charity.

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**Cost of charitable activities**

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

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**Gifts in kind**

Where goods or services 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 estimate based on the value of the contribution to the Charity.

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**Notes to the financial statements**

For the year ended 31 March 2021

# 1.

- 1.(i)** Depreciation – The annual depreciation charge for property, plant and equipment is sensitive to change in the estimated useful economic lives and residual value of assets. These are reassessed annually and amended where necessary to reflect current circumstances.
- 1.(ii)** Income accrual of £2.7m accounted for in 2020/21. This accrual is an income estimate that relates to the AI and data science for science government programme Phase 2 covering the period 1 Dec 2020 to 31 Mar 2021.

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**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 and fittings:	5 years
IT equipment:	3 to 5 years

Tangible fixed assets costing more than £1,000 are capitalised.

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**Intangible fixed assets and amortisation**

Amortisation of intangible fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Software	3-5 years
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Intangible fixed assets costing more than £1,000 are capitalised.

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**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 or which have been raised by the Charity for particular purposes.

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**Cash and cash equivalents**

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

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**Financial instruments**

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

With the exceptions of prepayments and deferred income all other debtor and creditor balances are considered to be basic financial instruments under FRS 102. See notes 16, 17 and 18 for the debtor and creditor notes.

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**Employee benefits**

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

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**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. The following judgements and estimates are considered by the Trustees to have most significant effect on amounts recognised in the financial statements.

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**Notes to the financial statements**  
For the year ended 31 March 2021

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**Donations**

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	<b>2021 Unrestricted £</b>	<b>2021 Restricted £</b>	<b>2021 Total £</b>	<b>2020 Total £</b>
Other	814,396	-	814,396	2,112
	<b>814,396</b>	<b>-</b>	<b>814,396</b>	<b>2,112</b>

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**2.**

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**Notes to the financial statements**

For the year ended 31 March 2021

**3.**

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**Grants income**

	<b>2021 Unrestricted £</b>	<b>2021 Restricted £</b>	<b>2021 Total £</b>	<b>2020 Total £</b>
<hr/> <b>Research Councils</b>				
EPSRC – Core Fund	6,000,000	-	6,000,000	2,000,000
EPSRC – COVID-19 Funding	7,300,000	-	7,300,000	-
EPSRC – Sponsored Fellowships	-	987,692	987,692	-
UKRI / AHRC – Strategic Priorities Fund – Living with Machines	-	1,689,963	1,689,963	1,541,004
UKRI / EPSRC – Strategic Priorities Fund – AI for Science and Government	-	2,971,669	2,971,669	9,412,906
<hr/> <b>University Partners</b>				
Founder University Partners	-	1,640,842	1,640,842	5,000,000
Other University Partners	4,000,000	838,748	4,838,748	8,000,000

**Notes to the financial statements**  
For the year ended 31 March 2021

**Grants income (continued)**

	<b>2021</b>	<b>2021</b>	<b>2021</b>	<b>2020</b>
	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Strategic Research Partners</b>				
Accenture	133,333	719,930	853,263	103,488
HSBC	-	1,505,698	1,505,698	-
Lloyd's Register Foundation	-	395,526	395,526	2,780,918
Bill and Melinda Gates Foundation	-	991,615	991,615	1,457,498
<b>Other research grants</b>	<b>142,072</b>	<b>3,845,695</b>	<b>3,987,767</b>	<b>3,468,324</b>
<b>Other grants – non-research</b>	<b>17,845</b>	<b>30,206</b>	<b>48,051</b>	<b>-</b>
	<b>17,593,250</b>	<b>15,617,584</b>	<b>33,210,834</b>	<b>33,764,138</b>

**3.**

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**Notes to the financial statements**  
For the year ended 31 March 2021

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**Cost of raising funds**

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	<b>2021</b>	<b>2020</b>
	<b>Total</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
Cost of raising funds	511,217	655,058
	<b>511,217</b>	<b>655,058</b>

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**4.**

**Notes to the financial statements**  
For the year ended 31 March 2021

**Cost of charitable activities**

**2021**

	<b>Grants Payable (See below) £</b>	<b>Other Direct Costs £</b>	<b>Support Costs (Note 6) £</b>	<b>Total £</b>
Research	12,719,523	12,425,174	6,031,534	31,176,230
Workshops and conferences	-	457	-	457
	<b>12,719,523</b>	<b>12,425,631</b>	<b>6,031,534</b>	<b>31,176,687</b>

**2020**

	<b>Grants Payable (See below) £</b>	<b>Other Direct Costs £</b>	<b>Support Costs (Note 6) £</b>	<b>Total £</b>
Research	17,256,255	10,588,751	5,162,475	33,007,480
Workshops and conferences	-	820,742	-	820,742
	<b>17,256,255</b>	<b>11,409,493</b>	<b>5,162,475</b>	<b>33,828,222</b>

**5.**

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**Notes to the financial statements**

For the year ended 31 March 2021

**5.**

In accordance with FRS102 and the Charity SORP, these financial statements account for the full expected cost of research grants awarded by the Institute within each financial year. The contractual terms of these grants can include durations of up to 36 months in length.

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**Analysis of grants payable**

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	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<hr/> <b>Analysis of institutions receiving grants</b>		
The British Library	375,348	539,331
Imperial College London	914,491	369,958
Queen Mary University London	923,372	1,103,568
Science and Technology Facilities Council	567,912	1,030,000
UKRI-NERC	448,729	-
University College London	1,204,644	1,704,706
University Hospital Birmingham	453,331	-
University of Birmingham	(423,890)	737,604
University of Cambridge	1,318,503	1,436,708
University of Edinburgh	864,279	1,169,489
University of Exeter	682,907	2,203,519
University of Leeds	550,988	1,803,179
University of Manchester	254,855	628,137
Newcastle University	296,393	156,798
University of Oxford	1,053,675	1,305,341
University of Southampton	860,387	475,104
University of Warwick	717,620	2,418,889
Other	1,367,484	173,924
	<b>12,719,523</b>	<b>17,256,255</b>

**Notes to the financial statements**

For the year ended 31 March 2021

**6.****Support costs**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Travel and subsistence	3,160	48,060
Office costs	83,366	41,497
Rent, rates and service charge	642,296	633,383
Repairs and maintenance	6,928	6,087
Subscriptions	168,312	126,756
Staff costs	3,078,769	2,346,426
Staff training and hospitality	34,120	133,928
Recruitment	53,161	188,579
Telecommunications	31,938	22,657
Computer running costs	294,894	321,642
Legal fees	71,369	266,098
Other professional fees	109,175	66,051
Consultancy	146,789	115,894
Depreciation	804,904	788,082
Amortisation	16,811	16,811
Insurance	79,616	54,710
Marketing	301	5,766
Foreign exchange gain	311,354	(102,864)
Sundry costs	56,800	8,287
Governance costs (see note 7)	37,470	74,625
	<b>6,031,534</b>	<b>5,162,475</b>

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**Notes to the financial statements**  
For the year ended 31 March 2021

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**Governance costs**

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	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Auditor's remuneration:		
Audit of the financial statements (current year)	30,786	31,760
Other services	6,486	41,798
Legal and professional fees	198	1,067
	<b>37,470</b>	<b>74,625</b>

**7.**

**Notes to the financial statements**  
For the year ended 31 March 2021

**Net income/(expenditure)**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Net income is stated after charging:</b>		
Depreciation	985,652	957,312
Amortisation	16,811	16,811
Operating lease rentals	943,149	938,606
Auditor's remuneration		
Audit of the financial statements (current year)	30,786	31,760
Audit of the financial statements (prior year under accrual)	-	34,734
Other services	6,486	7,064

**8.**

**Staff costs**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Staff expenses includes the following employee costs:</b>		
Wages and salaries	10,242,307	7,830,171
Social security costs	1,155,470	847,806
HMRC apprenticeship levy	36,302	23,111
Other staff costs		
Contractors	170,229	319,373
Secondments	778,314	1,048,480
Pension costs	926,974	676,197
	<b>13,309,596</b>	<b>10,745,139</b>

Key management personnel include those involved in executive decision-making and are listed in Part 2 of this report. The total employee benefits of the Charity's key management personnel was £1,594,786 (2020: £1,163,988).

Included in the above costs are termination payments to 1 individuals totalling £11,166 (2020: 1 individuals totalling £32,677).

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**Notes to the financial statements**

For the year ended 31 March 2021

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**Staff costs** (continued)

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During the year the following number of employees received emoluments in excess of £60,000:

	2021	2020
£60,000- £69,999	14	5
£70,000- £79,999	6	8
£80,000- £89,999	9	4
£90,000- £99,999	5	3
£130,000- £139,999	1	-
£160,000- £169,999	2	1
£170,000 - £179,999	-	1
£190,000- £199,999	-	1
£220,000 - £229,999	1	-

**9.**

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**Notes to the financial statements**

For the year ended 31 March 2021

# 10.

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**Trustees' payments**

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Howard Covington received remuneration totalling £30,000 (2020: £30,000) during the year for the purpose of being Chairman of the Charity. No other Trustee received any remuneration or emoluments.

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There were no Trustees receiving travelling and accommodation expenses during the period. In 2020 two Trustees received payments totalling £158.

**Employees**

	<b>2021 Number</b>	<b>2020 Number</b>
<b>The average number of employees by function were:</b>		
Executive	9	10
HR, Finance & Operations	36	24
Communications and Events	13	13
Research and Research support	122	102
Information Technology	7	5
Business Partnerships	51	28
	<b>238</b>	<b>182</b>

**11.**

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**Notes to the financial statements**

For the year ended 31 March 2021

# 12.

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**Taxation**

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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.

**Tangible fixed assets — Group**

	Leasehold Improvements £	Fixtures, Fittings and Equipment £	Total £
<b>Cost or valuation</b>			
At 1 April 2020	2,674,265	1,872,964	4,547,229
Transfer	(94,113)	94,113	-
Additions	-	186,221	186,221
Disposal	-	(2,810)	(2,810)
<b>At 31 March 2021</b>	<b>2,580,152</b>	<b>2,150,488</b>	<b>4,730,640</b>
<b>Depreciation</b>			
At 1 April 2020	1,678,295	1,251,780	2,930,075
Transfer	(57,554)	57,554	-
Charge for the year	598,146	387,506	985,652
Eliminated on disposal	-	(2,810)	(2,810)
<b>At 31 March 2021</b>	<b>2,218,887</b>	<b>1,694,030</b>	<b>3,912,917</b>
<b>Net Book Value</b>			
<b>At 31 March 2021</b>	<b>361,265</b>	<b>456,458</b>	<b>817,723</b>
<b>At 31 March 2020</b>	<b>995,970</b>	<b>621,184</b>	<b>1,617,154</b>

**13.**

**Notes to the financial statements**

For the year ended 31 March 2021

**13.****Tangible fixed assets — Charity**

	Leasehold Improvements £	Fixtures, Fittings and Equipment £	Total £
<b>Cost or valuation</b>			
At 1 April 2020	2,674,265	1,774,109	4,448,374
Transfer	(94,113)	94,114	1
Additions	-	186,533	186,533
Disposal	-	(2,810)	(2,810)
<b>At 31 March 2021</b>	<b>2,580,152</b>	<b>2,051,946</b>	<b>4,632,098</b>
<b>Depreciation</b>			
At 1 April 2020	1,678,295	1,183,817	2,862,113
Transfer	(57,554)	57,554	-
Charge for the year	598,535	362,718	961,253
Eliminated on disposal	-	(2,810)	(2,810)
<b>At 31 March 2021</b>	<b>2,219,276</b>	<b>1,601,279</b>	<b>3,820,556</b>
<b>Net Book Value</b>			
<b>At 31 March 2021</b>	<b>360,876</b>	<b>450,667</b>	<b>811,542</b>
<b>At 31 March 2020</b>	<b>995,970</b>	<b>590,292</b>	<b>1,586,261</b>

**Intangible fixed assets — Group**

	<b>Software £</b>
<hr/>	
<b>Cost or valuation</b>	
<hr/>	
At 1 April 2020 and 31 March 2021	67,241
<hr/>	
<b>Amortisation</b>	
<hr/>	
At 1 April 2020	46,230
<hr/>	
Charge for the year	16,811
<hr/>	
<b>At 1 April 2020 and 31 March 2021</b>	<b>63,041</b>
<hr/>	
<b>Net Book Value</b>	
<hr/>	
At 1 April 2020 and 31 March 2021	4,200
<hr/>	
At 31 March 2020	21,011

**14.**

**Investments in subsidiaries**

	<b>Investment in Subsidiary £</b>
<b>Cost</b>	
At 1 April 2020 and 31 March 2021	1

The investment represents 100% of the share capital of Turing Innovations Ltd, a company incorporated in England & Wales, company number 10015591. The following is an extract of its results for the year to 31 March 2021:

	<b>2021 £</b>
Income	2,862,216
Expenditure	(2,850,477)
<b>Net income</b>	<b>11,739</b>
Total assets	2,832,251
Total liabilities	(2,789,617)
<b>Net assets</b>	<b>42,634</b>

**15.**

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**Notes to the financial statements**

For the year ended 31 March 2021

**16.**

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**Debtors**

	<b>Group 2021 £</b>	<b>Group 2020 £</b>	<b>Charity 2021 £</b>	<b>Charity 2020 £</b>
Trade debtors	2,469,456	2,750,160	701,723	1,467,046
Tax and social security	-	-	-	49,193
Prepayments and accrued income	5,239,276	4,028,174	5,110,751	3,573,802
Intercompany	-	-	1,037,982	1,616,385
Other debtors	150,955	55,149	150,955	55,149
	<b>7,859,687</b>	<b>6,833,483</b>	<b>7,001,411</b>	<b>6,761,575</b>

Trade debtors above are measured at amortised cost.

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**Notes to the financial statements**

For the year ended 31 March 2021

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**Current investments**

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	<b>Group 2021 £</b>	<b>Group 2020 £</b>	<b>Charity 2021 £</b>	<b>Charity 2020 £</b>
Short-term deposits	5,000,000	-	5,000,000	-

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The short-term deposit is held in an interest bearing 95-day notice deposit account.

**17.**

**Notes to the financial statements**  
For the year ended 31 March 2021

**Creditors: amounts falling due within one year**

	<b>Group 2021 £</b>	<b>Group 2020 £</b>	<b>Charity 2021 £</b>	<b>Charity 2020 £</b>
Trade creditors	204,385	322,020	130,783	322,020
Taxation and social security	819,114	738,140	437,071	277,490
Grant creditors	13,010,729	18,193,092	13,010,729	18,193,092
Accruals and deferred income	7,591,896	3,762,705	6,295,906	3,148,169
Other creditors	4,400,854	125,007	4,400,854	125,007
	<b>26,026,978</b>	<b>23,140,964</b>	<b>24,275,343</b>	<b>22,065,778</b>

Included in other creditors is an amount due to UKRI of £4.2m that represents a repayment of grant funding in respect of Phase 1 of the AI for science and government programme.

**18.**

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**Notes to the financial statements**  
For the year ended 31 March 2021

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**Creditors: amounts falling due in more than one year**

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	<b>Group 2021 £</b>	<b>Group 2020 £</b>	<b>Charity 2021 £</b>	<b>Charity 2020 £</b>
Grant creditors	1,150,101	3,885,822	1,150,101	3,885,822

**19.**

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**Notes to the financial statements**

For the year ended 31 March 2021

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**Unrestricted funds**

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	<b>At</b>				<b>Balance</b>
	<b>1 April 2020</b>	<b>Income</b>	<b>Expenditure</b>	<b>Transfers</b>	<b>31 March 2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
General Fund	14,146,958	18,790,786	(4,493,178)	(9,052,922)	19,391,644
Designated funds					
Safe and ethical AI fund	1,891,376	-	(201,413)	-	1,689,963
<b>Charity Total</b>	<b>16,038,335</b>	<b>18,790,786</b>	<b>(4,694,591)</b>	<b>(9,052,922)</b>	<b>21,081,607</b>
Turing Innovations Limited	906,509	2,862,216	(2,850,477)	(875,613)	42,634
<b>Group Total</b>	<b>16,944,843</b>	<b>21,653,002</b>	<b>(7,545,069)</b>	<b>(9,928,535)</b>	<b>21,124,241</b>

Designated funds includes donations in 2018/19 from Aphorism Foundation (£1m) and DeepMind Technologies Limited (£1m). Both donations are unrestricted but are given in support of the Institute's work on Safe and Ethical AI. It is expected that these amounts will be spent within 4 years.

The defence and security fund, which operates out of Turing Innovations Limited, will finance the Institute's data-driven defence and security programme.

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**Notes to the financial statements**

For the year ended 31 March 2021

21.

		<b>Restricted funds</b>				
		<b>At</b>	<b>Income</b>	<b>Expenditure</b>	<b>Transfers</b>	<b>Balance</b>
		<b>1 April 2020</b>				<b>31 March 2021</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
a	EPSRC Capital fund	1,526,642	-	(593,368)	(933,273)	-
b	EPSRC – AI for Science and Government	3,228,422	2,971,669	(7,659,295)	-	(1,459,204)
c	EPSRC / BEIS – Sponsored Fellowships	3,861	1,216,638	(1,216,166)	-	4,333
d	AHRC – Living with Machines fund	(92,177)	1,689,963	(1,567,782)	-	30,004
e	Lloyd's Register Foundation fund	2,362,889	395,526	(1,426,040)	-	1,332,375
f	HSBC fund	555,043	1,505,698	(900,148)	-	1,160,593
g	Intel Corporation fund	509,741	-	(196,845)	-	312,896
h	University partner research fund	(4,160,851)	2,479,590	(4,995,040)	9,800,000	3,123,700
i	Bill and Melinda Gates Foundation	1,379,597	991,615	(882,838)	-	1,488,374
j	Accenture	103,441	719,930	(316,452)	-	506,919
k	Other research fund	2,072,836	3,646,955	(4,388,860)	1,061,808	2,392,739
<b>Charity and consolidated restricted</b>		<b>7,489,444</b>	<b>15,617,584</b>	<b>(24,142,835)</b>	<b>9,928,535</b>	<b>8,892,727</b>

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**Notes to the financial statements**

For the year ended 31 March 2021

# 21.

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**Restricted funds** (continued)

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Restricted reserves are in line with the expectations of the Board and are reflective of the early stage of both the specific activities that they will fund and of the Institute itself.

- 
- a** The EPSRC capital fund was granted by the Engineering and Physical Sciences Research Council for the purposes of capital expenditure on Turing premises. The transfer to unrestricted funds has been authorised by the funder to cover office rent costs.

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  - b** The EPSRC AI and Data Science for Science Government Programme was awarded from UKRI's wave 1 Strategic Priorities Fund to develop technologies of AI that underpin various economic sectors. The fund is reporting a deficit of £1,459,204 due to in year grant funding reprofiling. The grant award was split into two phases during 2020/21. Phase 2 is due to receive additional grant funding later in 2021/22.

- 
- c** EPSRC on behalf of UKRI are delivering the substantive part of the investment in Sponsored Fellowships and will manage the overall programme in partnership with the Institute, BEIS Science, Research and Innovation Directorate and the Office for AI.

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  - d** The AHRC Living with Machines fund was awarded from UKRI's wave 1 Strategic Priorities Fund to devise new methods of applying data science and AI to historical resources.

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  - e** The Lloyd's Register Foundation fund will finance a research programme that supports data-centric engineering.

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  - f** The HSBC fund will finance a research programme that supports collaboration in finance and economics.

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**Notes to the financial statements**

For the year ended 31 March 2021

**21.**

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**Restricted funds** (continued)

- 
- g** The Intel Corporation fund will finance data science and its application.
- 
- h** The university partner research fund is the unspent amount received from the Charity's university partners to fund future research activity. In March 2021, the Institute received a £7.2m Institute Support Fund grant from EPSRC, allocated to unrestricted reserves. £5.8m was transferred from unrestricted reserves to the university partner research fund to offset the deficit of £2,676,300 (2020: deficit £4,160,851). The deficit has arisen due to a timing difference, with multiyear expenditure grants for research fully accrued in the current and prior years but income to fund these due to be recognised in future years. Additionally, in October 2020 the Institute agreed a new interim funding model which has seen a reduction in our funding from £1m per university partner to £300k per university partner. The new model has also contributed to the deficit in-year.
- 
- i** The Bill and Melinda Gates Foundation award will fund a research programme focused on enhancing security and privacy of national identity systems.
- 
- j** The Accenture award will fund the advancement of data science, data analytics and artificial intelligence research with a focus on delivering substantial business and societal value.
- 
- k** Other research fund represents various research grants from charities, business and government departments to fund specific research collaborations. It includes expenditure incurred of £1.1m for the DECOVID project. The £1.1m transfer represents a repurposing of Institutional Support funds to support the development of the project.

**Restricted funds** (continued)

	<b>Balance 1 April 2019 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Transfers £</b>	<b>Balance 31 March 2020 £</b>
a EPSRC Capital fund	3,003,883	-	(539,163)	(938,078)	1,526,642
b EPSRC – AI for Science and Government	874,758	9,412,906	(7,059,242)	-	3,228,422
d AHRC – Living with Machines fund	333,906	1,541,004	(1,967,088)	-	(92,177)
e Lloyd's Register Foundation fund	1,962,219	2,780,918	(2,380,248)	-	2,362,889
f HSBC fund	1,512,559	-	(957,516)	-	555,043
g Intel Corporation fund	660,182	-	(150,441)	-	509,741
h University partner research fund	(4,592,382)	5,000,000	(12,568,469)	8,000,000	(4,160,851)
i Bill and Melinda Gates Foundation	-	1,457,498	(77,901)	-	1,379,597
k Other research fund	1,802,476	3,379,440	(3,001,778)	-	2,180,138
<b>Charity restricted</b>	<b>5,557,601</b>	<b>23,571,766</b>	<b>(28,701,846)</b>	<b>7,061,922</b>	<b>7,489,444</b>
Turing Innovations Limited- GCHQ – Defence and Security	432,784	2,144,408	(1,293,506)	(377,177)	906,509
<b>Consolidated restricted total</b>	<b>5,990,385</b>	<b>25,716,174</b>	<b>(29,995,352)</b>	<b>6,684,745</b>	<b>8,395,952</b>

**Notes to the financial statements**  
For the year ended 31 March 2021

**22.**

**Analysis of net group assets between funds**

	Unrestricted £	Restricted £	Total £
<b>At 31 March 2021</b>			
Tangible fixed assets	768,439	49,284	817,723
Intangible fixed assets	-	4,200	4,200
Net current assets	20,355,802	9,989,344	30,345,146
Long-term creditors	-	(1,150,101)	(1,150,101)
	<b>21,124,241</b>	<b>8,892,727</b>	<b>30,016,968</b>
<b>At 31 March 2020</b>			
Tangible fixed assets	1,586,262	30,892	1,617,154
Intangible fixed assets	-	21,011	21,011
Net current assets	15,358,581	11,323,363	26,681,944
Long-term creditors	-	(3,885,822)	(3,885,822)
	<b>16,944,843</b>	<b>7,489,444</b>	<b>24,434,287</b>

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**Notes to the financial statements**

For the year ended 31 March 2021

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**Financial commitments**

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The charitable company was committed to making the following total payments under non-cancellable operating leases as at 31 March 2021:

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	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Payments due:</b>		
Within one year	470,326	938,078
Between 2 and 5 years	247,719	731,293
	<b>718,045</b>	<b>1,669,371</b>

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**23.**

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**Notes to the financial statements**

For the year ended 31 March 2021

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**Related parties**

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During the year 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.

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**Current year to 31 March 2021**

	<b>Grant expenditure awarded £</b>	<b>Grant income received £</b>	<b>Re-charged expenditure £</b>	<b>Period end Debtor/(creditor) £</b>
Engineering and Physical Sciences Research Council	-	17,259,360	-	-
The Francis Crick Institute	-	166,223	-	-
University of Cambridge	649,450	386,800	519,302	90,500
University of Edinburgh	1,123,801	250,000	477,273	(63,927)
University of Oxford	850,272	250,000	887,554	(574)
University College London	780,001	250,000	707,185	(50,652)
University of Warwick	661,342	400,000	926,195	(31,002)
	<b>4,064,866</b>	<b>18,962,383</b>	<b>3,517,509</b>	<b>(55,655)</b>

**24.**

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**Notes to the financial statements**

For the year ended 31 March 2021

**24.**

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**Related parties (continued)**

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**Prior year to 31 March 2020**

	<b>Grant expenditure awarded £</b>	<b>Grant income received £</b>	<b>Re-charged expenditure £</b>	<b>Period end Debtor/(creditor) £</b>
Engineering and Physical Sciences Research Council	-	11,412,906	-	-
University of Cambridge	1,031,389	1,000,000	141,849	252,000
University of Edinburgh	781,397	1,000,000	539,457	58,649
University of Oxford	864,869	1,000,000	439,155	103,034
University College London	932,424	1,000,000	-	250,000
University of Warwick	1,312,161	1,000,000	478,605	230,519
	<b>4,922,240</b>	<b>16,412,906</b>	<b>1,599,066</b>	<b>894,202</b>

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

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**Transactions with subsidiary**

During the year the parent Charity re-charged staff and other costs to the subsidiary company, Turing Innovations Limited of £1,064,280 (2020: £483,073).

During the year Turing Innovations Limited made a gift aid distribution to The Alan Turing Institute of £875,614 (2020: £377,176).

At the year end Turing Innovations Limited owed The Alan Turing Institute £1,037,982 (2020: £1,616,385). On 15 April 2021 Turing Innovations Limited repaid The Alan Turing Institute £937,742.

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**Notes to the financial statements**

For the year ended 31 March 2021

**25.**

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**Company status**

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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.

**The  
Alan Turing  
Institute**