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# Section 2

## Trustees' and strategic report

The financial statements comply with the Charities Act 2022, the Companies Act 2006, and the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK (FRS102) effective 1 January 2019 (Charity SORP 2nd Edition).

The Charity is registered and is a company limited by guarantee governed by its Articles of Association dated March 2015 and a Joint Venture Agreement with the Founder Members dated March 2015.

Company Number: 09512457

Charity Number: 1162533

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**Directors/Trustees**

The Directors of the charitable company (the “**Charity**”), as registered at Companies House, 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 year and since the year end were as follows:

**Howard Covington**

Chair – resigned 18 March 2022\*

**Nicola Blackwood-Bate****Frank Kelly****Richard Kenway****Kerry Kirwan****Vanessa Lawrence CB****Thomas Melham****Carina Namih****Hitesh Thakrar****Neil Viner****Patrick Wolfe**

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**Key management as at 31 March 2022**

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**Executive Team****Adrian Smith**

Institute Director and Chief Executive

**Jonathan Atkins**

Chief Operating Officer

**Christine Foster**

Chief Collaboration Officer

**Mark Girolami**

Chief Scientist

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**Senior Management Team****Donna Brown**

Director of Academic Engagement

**Ian Carter**

Director of IT and Information Security

**Allaine Cerwonka**

Director of Academic Research Programmes

**Vanessa Forster**

General Counsel and Company Secretary

**Nicolas Guernion**

Director of Partnerships

**Catherine Lawrence**

Director of Programme Management

**Martin O’Reilly**

Director of Research Engineering

**Clare Randall**

Director of People

**Kathryn Stillman**

Interim Director of Communications and Engagement

\*The new Chair of the Board of Trustees, Douglas Gurr, is joining the Institute on 1 July 2022.

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**Programme Directors** as at 31 March 2022**George Balston**

Defence and security

**Mark Birkin**

Urban analytics

**Tim Dodwell**

Data-centric engineering

**Cosmina Dorobantu**

Public policy

**Chris Holmes**

Health and medical sciences

**Ben MacArthur**

AI for science and government

**Helen Margetts**

Public policy

**Jonathan Rowe**Data science for science and humanities  
AI for science and government (ASG)**Lukasz Szpruch**

Finance and economics

**Sethu Vijayakumar**

Artificial intelligence

**Tim Watson**

Defence and security

**Adrian Weller**

Artificial intelligence

**Michael Wooldridge**

Artificial intelligence

**Kirstie Whitaker**

Tools, practices and systems

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**Registered Office**The British Library  
96 Euston Road  
London, NW1 2DB

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**Auditors**Moore Kingston Smith  
LLP Chartered Accountants  
6th Floor  
9 Appold Street  
London, EC2A 2AP

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**Bankers**Barclays Bank UK PLC  
Leicester  
Leicestershire, LE87 2BB

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**Solicitors**Bates Wells  
10 Queen Street Place  
London, EC4R 1BEMills & Reeve  
100 Hills Road  
Cambridge, CB2 1PH

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# Structure, governance and management

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## Our legal structure

The Alan Turing Institute was founded in March 2015 as a registered Charity (1162533) and a company limited by guarantee (09512457). The Institute is governed by its Articles of Association that were adopted on incorporation on 26 March 2015 and a Joint Venture Agreement with the Founder Members signed on 31 March 2015 (together the “**Constitutional Documents**”). The Constitutional Documents set out the governance of the Institute as the responsibility of the Board of Trustees with some reserved matters to the Founder Members.

## Purpose of the Institute and main activities

As the national institute for data science and artificial intelligence, the charitable objects of the Institute, as set out in its Articles of Association, are the furtherance of education for the public benefit particularly through research, knowledge exchange, and public engagement, in the fields of data sciences. In 2017, as a result of a government recommendation, the Institute added artificial intelligence to its remit. The Institute has power to do anything which furthers its charitable objects. In particular, the Institute’s ambitions are to:

- Advance world-class research in data science and AI, and apply it to real-world problems.
- Train the data science and AI leaders of the future.
- Lead the public conversation on data science and AI.

The Trustees confirm that they have paid due regard to the Public Benefit Guidance published by the Charity Commission, including the guidance “Public benefit: running a charity (PB2)”, in undertaking their activities.

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## Related parties

The Institute's Founder Members are EPSRC and the University of Cambridge, University of Edinburgh, University of Oxford, University College London (UCL) and University of Warwick. The Founder Members have entered into a Joint Venture Agreement which establishes, along with the Articles, the basis on which the Institute operates.

On 1 April 2018, the Institute entered into five-year partnership arrangements with eight additional universities: Birmingham, Bristol, Exeter, Leeds, Manchester, Newcastle, Queen Mary University of London, and Southampton.

The Institute has a wholly owned subsidiary, Turing Innovations Limited (company registration number 10015591). Turing Innovations Limited has a minority shareholding in Quair Limited, a private limited company (company registration number 12704209).

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## Board composition and responsibilities

- The Institute is governed by its Board of Trustees, currently six of whom have been appointed by the six Founder Members and four of whom are Independent Trustees. The Chair stood down on 18 March 2022 with the new Chair, Douglas Gurr, joining the Institute on 1 July 2022.
- The Board of Trustees has been established in accordance with the terms of the Joint Venture Agreement. The Board composition is determined as follows:
  - Each Founder Member may appoint one Trustee.
  - Founder Members 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 such Independent Trustee by a majority decision.
  - The appointed Trustees may appoint further Independent Trustees such that, so far as possible, the total number of Trustees on the Board will be an odd number.
  - The Trustees appointed by the Founder Members must always form a majority of the Board and may from time to time remove and replace Independent Trustees.

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## Organisational management and responsibilities of the Board

The Institute's Board of Trustees is responsible for setting the aims and strategic direction of the Institute, approving key policies, monitoring risks, approving the annual budget and expenditure targets, and monitoring actual and forecast financial results.

Trustees meet formally as a Board up to five times a year. In addition, Trustees normally attend at least two strategy days with the Executive and Senior Management Team and undertake further meetings as and when needed. The Executive Team, Senior Management Team and relevant Programme Directors provide Trustees with regular reports on the Institute's financial position, current activity, organisational updates, and significant issues affecting the Institute.

The Executive Team, led by the Institute Director and Chief Executive, and supported by the Senior Management Team and the Programme Directors, is responsible for the day-to-day management of the Institute's operations and activities. The Executive Team, Senior Management Team and the Programme Directors are also responsible for implementing strategy and corporate policies and reporting on performance to the Board.

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# Committees of the Board

The Board is supported by three formal Committees. Each Committee has processes in place for managing any conflicts of interest that arise.

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## Audit and Risk Committee

This Committee is responsible for audit, finance and risk management as well as reviewing the effectiveness of the Institute's internal control framework and risk management process, and compliance with reporting requirements and reports to the main Board on the same. It monitors the work of the external auditors and receives and reviews audit reports. It monitors the full external audit process and resulting financial statements, including overseeing the terms of appointment of the external auditors.

### Membership:

**Neil Viner**  
Chair

**Hitesh Thakrar**

**Patrick Wolfe**

**Stephane Maikovsky**  
(Independent member/non-Trustee)

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## Nomination Committee

This Committee is responsible for all aspects of the appointment of new non-Founder Member Trustees to the Board of Trustees, succession planning and the reviewing and monitoring of governance processes. It also has responsibility for monitoring boardroom diversity and recommending appointments within the Audit and Risk Committee and the Remuneration, EDI and People Committee in consultation with the Chairs of those Committees. In Autumn 2021, the Founder Members delegated the search for the new Chair of the Institute to the Nomination and Governance Committee.

### Membership:

**Vanessa Lawrence CB**  
Chair – appointed as Chair 22 June 2021

**Nicola Blackwood-Bate**

**Richard Kenway**

**Thomas Melham**

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## Remuneration, EDI and People Committee

This Committee advises the Board of Trustees and oversees the preparation of policies and procedures in respect of salaries, emoluments, and conditions of service. In line with these approved policies and procedures, the Committee approves the total remuneration package for the Chair 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.

This Committee also has oversight of equality, diversity, and inclusion (EDI) which has included review and challenge of the EDI strategy and action plan.

### Membership:

**Hitesh Thakrar**  
Chair – appointed as member and Chair on 22 June 2021

**Frank Kelly**

**Richard Kenway**

**Carina Namih**



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# Advisory boards

Other advisory groups are set out below.

The Joint Venture Agreement includes the following two advisory groups:

## **Research and Innovation Advisory Committee**

This group advises the Institute Director and Chief Executive on strategic aspects of the Institute's research and innovation activities, including support with research and training programmes.

## **Scientific Advisory Board**

This is an independent group designed to be made up of international experts in academia, industry, and government which provides strategic advice to the Institute's Board of Trustees and the Executive Team on the development and implementation of the scientific research strategy. During the year, the Board of Trustees agreed to stand down the membership of this board with a view to refreshing it in 2022-23 with an open call for new membership.

Other advisory and liaison groups:

## **Strategic Partners Board**

This group is intended to advise the Institute Director and Chief Executive on the content and translation of research generated at the Institute and is intended to collaborate across the Institute and its partners to identify new opportunities.

## **University Partners Board**

This group is intended to advise the Institute Director and Chief Executive on the research direction of the Institute, the Institute's relationship with its university partners, and the higher education landscape as it relates to data science and AI.

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## **Recruitment and appointment of Trustees**

The Nomination and Governance Committee aims to undertake an open recruitment process, recommends new candidates for appointment when necessary and ensures appropriate recruitment and succession plans are in place for independent appointed Trustees i.e. not Founder Member-appointed Trustees.

During the year, an open and comprehensive recruitment process was undertaken to identify and appoint a new Chair of the Board of Trustees. This has now been successfully concluded with the new Chair of the Board of Trustees, Douglas Gurr, joining on 1 July 2022. There were no further Trustee appointments made during the 2021-22 financial year.

On appointment, every Trustee completes a declaration of interests form which is held within a register of interests and which is monitored and updated on a regular basis and reviewed annually. Trustee-related party transactions are disclosed in greater detail within the financial statements later in this report. All conflicts are actively managed through early identification of potential areas of conflict and appropriate action taken where necessary.

Each new Trustee undergoes a tailored induction programme which includes a programme of meetings with the members of the Executive Team and relevant members of the Senior Management Team and other Trustees. New Trustees are provided with a Trustee Information Pack which includes initial information about the Institute and its work, a copy of the previous year's Annual Report and Accounts, a copy of the Institute's Articles of Association, a copy of the Joint Venture Agreement, information about their powers as Trustees of the Institute, key corporate policies, and a copy of the Charity Commission's guidance, "The essential trustee: what you need to know".



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# Financial review

The Institute is funded through grants from Research Councils, Founder Members, University Partners and from strategic and other partnerships.

Income of £51.1m (2020/21: £37.3m) has been received during the year of which £35m was received from Research Councils (2020/21: £19m), £2.3m from Founding Members and University Partners (2020/21: £6.5m), £10m from strategic and other research partnerships (2020/21: £7.7m), £3.4m from other trading activities and investment income (2020/21: £3.2m) and £0.4m (2020/21: £0.8m) from donations.

Of the £35m received from Research Councils, £10m was awarded from EPSRC to enable the Institute to continue its evolution.

Expenditure of £39.3m (restated 2020/21: £32.4m) has been incurred in the year. Grants payable to Founding Members and other University Partners represent 40% of total expenditure (restated 2020/21: 41%). Staff costs represent 44% (restated 2020/21: 41%) of total expenditure, increasing from £13.3m in 2020/21 to £17.2m in 2021/22, as the Institute expands its research programme delivery and its operational areas to support delivery. The

remaining 16% (2020/21: 18%) of expenditure covers support costs and other direct costs.

The Group made a surplus of £11.8m (restated 2020/21: £4.9m). This has been transferred to reserves and will be used to fund research and Group costs during 2022/23 and beyond.

Group net assets at 31 March 2022 are £41.1m (restated 2021: £29.3m).

Fixed asset values increased by £0.8m. During the year, £1.1m was spent on computer equipment and £0.5m was spent on the refurbishment of the Institute's first floor office space. The additions were offset by £0.7m of depreciation and amortisation charges and net equipment disposals.

Current assets: Debtors are £11m (2021: £7.9m) and represents an increase in trade debtors and project accrued income from the previous year, driven by higher levels of project activity. Cash, including current asset investments, has increased by £2m to £50.5m (2021: £48.5m). This is largely due to the upfront nature of cash receipts on many of the Institute's grant awards. A current asset investment of £5m was made in 2020/21 and represents a cash deposit held in an interest bearing 95-day notice account with Barclays.

Creditors: amounts falling due within one year are £22.1m (restated 2021: £26.7m). Grant creditors were £2m higher than last year, driven by increased levels of project activity and a reclassification of grant expenditure due from Creditors: amounts falling due in more than one year. Accruals and deferred income were £3.2m lower than last year due to a decrease of £1.8m in accrued project expenditure and a £1.4m decrease of project funding received in the current year but deferred. Other creditors were £4.2m lower than in 2021, this being the amount due to UK Research and Innovation (UKRI) for the repayment of grant funding received in previous years for the AI for science and government programme (ASG). This matter was settled in September 2021. Creditors: amounts falling due in more than one year reduced by £1.1m as the majority of grant-funded programme commitments are now due within one year.

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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 as set out below.

The charitable company therefore continues to adopt the going concern basis in preparing its financial statements.

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## Fundraising

The Institute does not engage in fundraising activities with the general public. Costs of raising funds in the financial statements relate to sourcing of new institutional funders.

The Institute does not use third parties to assist

with fundraising and the Institute received no complaints in this year regarding its fundraising practices.

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## Treasury Management Policy

Treasury management activity monitors the timing and amounts of cash inflows and outflows, in particular monitoring and tracking those activities that result in significant cash movement.

The Treasury Management Policy is confined to the management of short- to medium-term liquid funds (maximum investment term is 18 months).

Assets are protected by investing with approved counterparties. Investments are risk-averse and non-speculative, and the Institute places no income reliance on interest earned.

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## Grant-making policy

The Institute's grants will be subject to outputs being appropriately recorded and assessed. Data held will be in line with the grant guideline requirements issued by UKRI.

Fundamental principles have been established and adopted by the Institute. These are as follows:

- The Institute will award grants that are in line with the charitable objects of the organisation.
- The Institute intends to assess grants biannually to ensure compliance with the terms of the grant.
- The Institute expects to assess the progress of each grant within three months of the end of the grant period.

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## Reserves policy

The Charity reviews its unrestricted reserves policy each year, taking account of its planned activities and the financial requirements for the forthcoming period. The Trustees believe that the Institute should have access to reserves appropriate to the scale, complexity and risk profile of the Institute.

To cover any shortfall in grants and to maintain the financial viability of the Institute, reserves are currently set at the equivalent of a minimum 6 months of anticipated operating costs which amounts to approximately £10m as at 31 March 2022.

In November 2019 an award of £10m was made by EPSRC to cover core operating costs for the years 2020/21 to 2021/22. Additionally, EPSRC meets the annual rental costs for leasehold

space occupied by the Institute in The British Library's St. Pancras building. Following a reconciliation of the initial five-year award made to the Institute by EPSRC in 2016, additional funding was also received. The table below shows the total funding received from EPSRC to support core operating costs.

	<b>2022</b>	2021
	<b>£'000</b>	£'000
Core funding	<b>5,000</b>	5,000
Reimbursement of rent paid to the British Library	<b>1,000</b>	1,000
Additional funding for the period 1 April 2015 to 30 September 2020	<b>2,955</b>	-
	<b>8,955</b>	6,000

The Charity's unrestricted Fund as at 31 March 2022 was £30.5m (2021: £21.1m). This includes £0.9m (2021: £0.7m) of funding held to cover future years' financial commitments and funds designated by the Board for

investment in future research. This includes £2m (2021: £nil) to support Turing 2.0 research projects; £1m to support the AI for science and government programme (2021: £nil) and £1.5m (2021: £1.7m) for the Institute's safe and ethical AI programme. This leaves £25.1m of free reserves (2021: £18.7m). The amount in excess of that called for in our reserves policy (as stated above) will be made available for investment in future research.

As at 31 March 2022, the Institute holds £10.2m (restated 2021: £8.2m) of restricted reserves.

### **Remuneration policy**

The Institute is committed to ensuring a proper balance between paying staff (and others who work for the Institute) fairly to attract and retain the best people for the job with the careful financial management of our charity funds. The Remuneration, EDI and People Committee oversees the overall remuneration of staff and specifically that of the Institute Director and Chief Executive, and those senior managers reporting directly to the Institute Director and Chief Executive. The Remuneration, EDI and

People Committee assumes the responsibilities of remuneration within the Institute, and oversees the preparation of policies and procedures in respect of salaries, emoluments, and conditions of service.

Formal consideration of remuneration matters takes place annually, usually at the Committee's March meeting. However, remuneration matters may also be considered at other meetings if ad hoc issues arise during the year.

Depending on the policies of the Board, the Committee does not have full delegated authority to approve all matters relating to remuneration and any recommendation or decision requiring such approval must be ratified by the Board of Trustees.

The Institute discloses all payments to Trustees and the number of staff with a total remuneration of £60,000 and above in accordance with the Charity Commission's Statement of Recommended Practice 2019 (SORP).

## Streamlined Energy and Carbon Reporting (SECR)

Annual energy usage and associated annual greenhouse gas emissions are reported pursuant to the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 that came into force on 1 April 2019.

The energy use and associated greenhouse gas emissions reported in the adjacent table are for The British Library's St. Pancras building, in which the Institute occupies 2,305 square metres of space out of a building total of 126,515 square metres. It is not possible to disaggregate our energy usage and emissions from that of the whole building.

Breakdown of energy consumption used to calculate emissions (kWh):

Energy	2022	2021
Gas	5,257,272	4,233,045
Purchased electricity	13,070,918	12,289,327
<b>Total energy</b>	<b>18,328,190</b>	16,522,372

Breakdown of emissions associated with the reported energy use (tCO<sub>2</sub>e):

Emission source	2022	2021
Scope 1		
Gas	962.9	778.3
Scope 2:		
Purchased electricity	2,775.4	2,865.1
<b>Total gross emissions</b>	<b>3,738.3</b>	3,643.4

Intensity ratio

Tonnes of CO <sub>2</sub> e per square metre floor area	2022	2021
	0.030	0.029

The annual reporting period is 1 April to 31 March each year and the energy and carbon emissions are aligned to this period. The electricity and gas consumption figures were compiled by The British Library from invoice records. Emissions per square metre floor area is reported to reflect the energy efficiency of the building.

## Reasonable adjustments policy

During the year the Institute maintained its policy of giving full and fair consideration to applications for employment made by disabled people. The Institute is committed to continuing employment and training of employees who become disabled and to the training, career development and promotion of all employees.

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**Risk management**

Significant risks to which the Institute and Turing Innovations Limited are exposed are reported formally to the Audit and Risk Committee and the Board of Trustees via the Institute's corporate risk register.

The Institute has a formal risk management framework, reviewed by the Board during the year, which is embedded within the business that supports the identification and management of risk across the Institute. The Senior Management Team and the Programme Directors are responsible for managing and reporting risks in accordance with the Institute's Risk Management Policy, while the Trustees retain overall responsibility for risk management.

The risk management framework incorporates categories of risk which cover generic areas such as funding and growth, compliance and governance, security and controls, and brand and reputation. The Board of Trustees seeks to ensure that the risks are mitigated, so far as is reasonably possible, by actions taken by the Institute's Executive Team, Senior Management Team, and the Programme Directors.

The main risks faced by the Institute are captured on the corporate risk register, which is regularly reviewed by the Board and the Audit and Risk Committee. A summary of the key risks is included to the right.

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**Risk description**

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**Risk mitigation**

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Sources of funding for the Institute continued to be under review during the year.

Prudent financial management of the Institute such that it can react to changes in external funding in an agile, controlled manner.  
Continue to review options for additional sources of funding.

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Failure to comply with legal and charity commission requirements such as data protection, serious incident reporting, National Security and Investment Act (NS&I) and export regulations.

Continuing focus on improving the control environment during the year with policies and procedures updated and introduced.

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The pipeline of commercial opportunities reduces due to the post-pandemic economic environment.

Deepening existing relationships and focusing effort on strategically important areas.

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Loss of, or inappropriate handling of, the Institute's data.

Implementing robust security processes, both physical and virtual.

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AI applications developed by or in partnership with the Institute being used for malicious or unintended purposes.

Strengthening ethics processes, ensuring they remain fit for purpose and adequately resourced.

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# Section 172 Statement

The Board of Trustees are aware of their duty under s.172 of the Companies Act 2006 to act in the way which they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole.

In this section you will find examples of how the Institute has considered our stakeholders when making decisions during the year. The Board has a duty to promote the success of the Institute for the benefit of the members, whilst also having due regard for the interests of our colleagues, and for the success of our relationships with suppliers and customers and for the impact of our activities on the wider community. The considerations of our stakeholder groups are integral to our decision-making. However, where decisions taken may adversely impact a particular stakeholder group, we will always endeavour to treat them fairly.

## 1. Members

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### Board considerations

All Board decisions are made with the success of the Institute for the long-term benefit of its members and stakeholders at the forefront of the minds of the Trustees.

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### Annual General Meeting

The 2020-21 Annual General Meeting was well attended by our members and a series of resolutions were proposed. These included the approval of Founder Member appointed representatives adopting six-year terms of office and the delegation to the Board of Trustees to undertake the recruitment and agree the terms for the appointment of the new Chair of the Board of Trustees.

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### Annual report and accounts

Whilst the Institute has a statutory obligation to provide certain information in the annual report, the information is presented in an engaging and understandable way. The Institute also looks to enhance its sharing of information throughout the year through the content made available on the Institute's website.

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### Founder Member approvals

During the year, the member representatives were asked to approve certain matters which were reserved for them as covered in the constitutional documents. This included the formal delegation for the Board of Trustees to undertake the recruitment process for the new Chair of the Board of Trustees.

## 2. Colleagues

<b>Board considerations</b>	The Trustees receive regular qualitative and quantitative updates on employee matters from the People Director, who attends Board and Remuneration, EDI and People Committee meetings, including analysis received through employee engagement surveys, regular EDI updates and an annual update on the Performance Review and Performance Related Pay process. This provides the Board with oversight of the effects our people engagement has on our performance, and the continued strength of our culture. In addition, the committees also received various reports during the year relating to the wellbeing of our colleagues, such as the annual report on health and safety reviewed by the Audit and Risk Committee and the annual report on EDI reviewed by the Remuneration, EDI and People Committee.
<b>Town Hall</b>	Enhancing employee engagement is an integral part of the culture of the Institute. Senior management are actively involved in the engagement of colleagues through weekly electronic communications, monthly staff meetings and quarterly Town Hall meetings that involve employees and full-time members of the wider Turing community, to provide updates on business developments.
<b>Equality, diversity and inclusion (EDI)</b>	Considerable work has been undertaken during the year on the development and implementation for the first year of the EDI strategy and action plan, which focuses on EDI in the role of the Institute as a national body, a research institute and as an employer. Further information on the activities undertaken can be seen in section 1 (page 27).
<b>Hybrid working survey</b>	The Institute undertook a survey of the Turing community during the year to get an understanding of views on returning to office-based working post-pandemic. The results of this survey were considered by the Remuneration, EDI and People Committee, resulting in the commencement of a 6-month hybrid working pilot which is due to conclude in 2022, with recommendations on any changes to working practices to follow.
<b>Employee remuneration and recruitment</b>	The Remuneration, EDI and People Committee agreed to implement a cost-of-living increase for all employees of 5% to be effective from 1 April 2022.



### 3. Customers and suppliers

<b>Board considerations</b>	<p>The Trustees recognise the existence of a number of key external stakeholders (general public, Founding Members, university partners, strategic and commercial partners, government agencies, public health bodies, charitable foundations, customers, and suppliers).</p> <p>The Trustees remain committed to effective engagement of all stakeholders and are mindful that the Institute's success depends on its ability to engage effectively, work together constructively and to take stakeholder views into account when taking decisions.</p>
<b>Shaping the way that research is undertaken</b>	<p>Through providing visible national leadership on setting sectoral best practices – crowd-sourcing the underpinnings for a more accessible, secure and ethical way to undertake data science and AI. Examples from the year include:</p> <ul style="list-style-type: none"><li>– AI ecosystem survey – conducting the online survey of the AI ecosystem in support of the AI Council in informing the Office for AI's National AI Strategy, launched in September 2021.</li><li>– Living with Machines – harnessing the hive mind. More than 1,700 volunteers reviewed digitised Victorian newspapers to glean insights into the human impact of the Industrial Revolution.</li><li>– UKRI digital research infrastructure report. At the request of UKRI, the Turing led a review of the UK's digital research infrastructure needs for AI. The consultation process was completed during the year, with the outcomes due to be delivered in 2022-23.</li></ul>
<b>Training and skills development</b>	<p>The Institute has continued to improve its training and skills development opportunities. Examples from the year include:</p> <ul style="list-style-type: none"><li>– The Turing Enrichment scheme, which looks to strengthen the pipeline of skilled UK data science and AI talent through promoting collaborative working on mission-led challenges across disciplinary boundaries for early-career researchers.</li><li>– Turing Data Study Groups, which won the 'Academic Engagement of the Year Award' at the 2021 PraxisAuril KE Awards.</li></ul>
<b>Advising the public sector</b>	<p>The public policy programme has overseen many research projects dedicated to using data science and AI to inform policy-making and improve public services as well as building ethical foundations for the use of these technologies in the public sector. An example from the year includes:</p> <ul style="list-style-type: none"><li>– Working towards a safer internet: carrying out pioneering work in online safety, which included expert input into the UK government's Online Safety Bill.</li></ul>

### 3. Customers and suppliers (continued)

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- Submitting responses to a number of consultations, including (but not limited to):
    - UKRI’s EDI strategy.
    - House of Commons Science and Technology Committee’s inquiries into: Diversity in STEM; Reproducibility and research integrity; and The right to privacy: digital data.
    - House of Lords Science and Technology Committee’s inquiry into the UK research and innovation system and the ‘science superpower’ ambition.
    - Independent review of the UK research, development and innovation organisational landscape, led by Paul Nurse.
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**London Universities  
Purchasing Consortium  
(LUPC)**

In 2020 the Institute became a member of the consortium whose aim is to achieve value for money for its members in their procurement of goods and services.

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**Stakeholder engagement**

During the year, the Institute worked closely with its customer stakeholder groups across academia, industry, the third sector, and government, including:

- University Partner Board meetings.
- Strategic Partner Board meetings.
- Regular meetings with UKRI/EPSC.
- Regular engagement with universities through our University Liaison Managers.
- Hosting the second annual AI UK showcase.
- Holding the Annual General Meeting of member representatives.

## 4. Community and environment

<b>Board considerations</b>	The Trustees fully appreciate the impact the Institute has on the community in which it operates and that this is a critical factor in its ongoing success as the national institute for data science and AI.
<b>Leading the public conversation</b>	<p>The Institute's Events and Engagement programme is one way the Institute leads the public conversation on data science and AI. Examples include the Turing Lecture series and the second annual AI UK event, hosted by the Turing in March 2022.</p> <p>AI UK is the national showcase of artificial intelligence and data science research and collaboration, with the focus of the 2022 event being on how AI and data science could be used to solve real-world challenges.</p>
<b>Community collaboration</b>	<p>One of the Institute's key contributions is bringing together experts with a range of skills and from an extensive range of disciplines – from theoretical mathematics to the social sciences – to tackle problems together.</p> <p>To support this during the year, the Turing invested in redesigning its offices at the British Library to provide a more collaborative and open working environment for the community to use.</p>
<b>Links to industry</b>	The Institute has a wide variety of active collaborations with organisations in industry, the third sector and government, eight of which are strategic partners: Accenture, Bill and Melinda Gates Foundation, UK Defence & Security (including GCHQ, Dstl and the Ministry of Defence), Lloyd's Register Foundation, Hoffman-La Roche, Office for National Statistics (ONS), NATS (formerly National Air Traffic Services), and the Singapore Defence and Security Organisation; which are aligned to the Institute's charitable objects and Research Programmes.
<b>Ethical and safe use of digital technology</b>	<p>The Institute has made a key contribution through leading the national and global conversation on the ethical, fair and safe use of digital technologies. For example, during the year this has included activities such as:</p> <ul style="list-style-type: none"><li>– Informing the government roadmap towards trustworthy AI through advising on the legal, ethical, and technological risks of AI and machine learning. This was a key input to the Centre for Data Ethics and Innovation report 'The roadmap to an effective AI assurance ecosystem'.</li><li>– <i>The Turing Way</i>. The online handbook for reproducible, ethical and collaborative data science which is in its third year of use.</li></ul>

## 5. Principal decisions

Principal decisions are those which are material to the Institute and significant to any of our key stakeholders. In making the following principal decisions, the Board considered the outcome from its stakeholder engagement perspective as well as the need to act fairly between the members of the Institute.

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### **Principal decision 1: Obtained the approval of the Founder Members to undertake the appointment process for the chairperson of the Board of Trustees.**

Under the Constitutional Documents the selection and appointment of the chairperson of the Board of Trustees is a matter reserved for the Founder Members. At the Annual General Meeting in July 2021 the Board of Trustees asked the Founder Members to delegate the authority to the Board to undertake the appointment process. The approval was granted and the Board, through the Nomination and Governance Committee, has successfully concluded the appointment, having undertaken an open and competitive selection process.

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### **Principal decision 2: Increased oversight of equality, diversity and inclusion (EDI) at board level and the appointment of a Board Champion for EDI.**

During the year, the scope of the Remuneration Committee was extended to include oversight of EDI matters. This included monitoring of the EDI strategy and action plan for the Institute. This was renamed the Remuneration, EDI and People Committee.

Based on the recommendations of this committee during the year, the Board considered and agreed that it was in the best interests of the Institute and its community to maintain its membership of the Stonewall Diversity Champions scheme and approved the appointment of Hitesh Thakrar as the Board Champion for EDI. The Board also took the opportunity during the year to review its committee chairs and decided to appoint new chairs for the Remuneration, EDI and People Committee and the Nomination and Governance Committee, where diversity was a key consideration.

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### **Principal decision 3: Revised interim funding model for the University Partners.**

The Board acknowledged the financial impacts of the current economic environment and the uncertainty around the long-term funding models for our University Partners. As the original grant awards ended in 2021, it was agreed by the Board to implement a 12-month interim model (October 2021 – September 2022) and subsequently a six-month extension (October 2022 – March 2023) reducing the grant contributions from all University Partners.

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**Principal decision 4: Rationalised the advisory committee structure in the short-term whilst the new strategy and funding model is finalised.**

During the year, the Board stood down the existing membership of the Scientific Advisory Board on the grounds of good governance as they had completed six years of service. The Board identified its aim was for this group to be reconstituted with an open call for new membership during 2022-23. The Board also decided to close down the Commercial Development Board with the aim of reviewing in the future the benefits to the Institute of having a liaison group of industry leaders.

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**Principal decision 5: Investment to refurbish the office space.**

The Board agreed to extend the existing lease arrangements for the first and fourth floors of the British Library building in Kings Cross for a further two years, until March 2023. Alongside this decision they agreed to invest in a refurbishment of the office space on the 1st floor to provide a more collaborative and open environment for the Turing community to use post COVID-19.

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**Principal decision 6: Improvements to the control environment.**

During the year, the Board instigated improvements to the control environment through reviewing, updating and approving key corporate policies including safeguarding, research ethics, bullying and harassment, and tax evasion, anti-money laundering and terrorist financing. The Board also reviewed and reapproved the risk management framework.

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# Charity Governance Code

The Charity Governance Code (the “**Code**”) has been developed as an ‘aspirational’ model to support continuous improvement in governance. The Trustees confirmed in 2019-20 their support for the principles-based approach of the Code, agreeing to undertake an annual internal review of governance practice at the Institute.

The internal review of governance for 2021-22, which considered current practice, concluded that there had been improvements made during the year in areas identified in the previous year’s review. These included policy development, equality, diversity and inclusion, board diversity, and board and committee composition with further improvements identified to move the Institute towards best practice in governance as set out in the Code.

Relevant areas of particular focus this year have included:

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## Board leadership

The Institute is a charity governed by its Articles of Association, adopted in 2015, and a Joint Venture Agreement (“**JVA**”) with the six founding members of the Institute. The JVA sets out the requirements for the appointment of the trustees, who are the directors of the charity. This enables each of the Founding Members to appoint one trustee to the Board with the requirement that the Founder Member appointed Trustees are in the majority at all times on the Board.

During the year, an open and transparent process was commenced to recruit and appoint a new Chair of the Board of Trustees. In addition to this, there were various examples of good practice including a review of the committee membership with two new committee chairs appointed, taking account of Board diversity. Approval was also granted by the Founder Members for their appointed representatives on the Board to be subject to best practice governance of six-year terms of office.

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## Equality, diversity, and inclusion (EDI)

The Institute recognises that promoting and embedding EDI in our function as employer, research institute and national body is integral to achieving our mission. As an enabler of this, our first EDI strategy and action plan was launched in 2021. The ownership for delivery of the strategy and action plan resides with the Senior Management Team, with the Remuneration, EDI and People Committee providing oversight and holding the Institute to account for delivery of performance against the plan.

Examples of outputs from the Board in the first year of the plan included the appointment of Hitesh Thakrar as the Board Champion for EDI, and the Remuneration, EDI and People Committee receiving the first annual report on EDI. Further information on the wider EDI activity at the Institute is available in section 1.

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### **Strengthening the Executive Team**

The appointment of Mark Girolami as the Institute's Chief Scientist was a key step in the process of delivering a science and innovation strategy during a period of evolution at the national level with the launch of the National AI Strategy and other related strategies. The Chief Scientist has also taken responsibility for leading the Programme Directors and is the Institute's main point of contact with the advisory and liaison groups that advise the Institute on scientific strategy.

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### **Internal controls: Policy framework**

The Trustees have overseen the implementation and updating of key corporate policies that have strengthened the control environment of the Institute during the year. These have included: safeguarding, bullying and harassment, research ethics, and tax evasion, anti-money laundering and terrorist financing policies, among others.

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### **Areas of focus for 2022-23**

Having undertaken the annual review of the Institute's governance practices, when compared with the best practice recommendations of the Code, the Board acknowledges the need to focus on delivering continuous improvements and embedding the good practice that has been put in place during this year. Examples of the activities to be focused on during 2022-23 include:

- Developing an overarching Institute strategy aligned to the national strategy, with a science and innovation strategy being a key strand.
- Reviewing and updating Board member induction, appraisal and review processes.
- Updating key corporate policies that are due for renewal in 2022-23, including Conflicts of Interest and the Code of Conduct.



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# Trustees' responsibilities statement

The Trustees are responsible for preparing the Trustees' annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law, the Trustees have elected to prepare the financial statements in accordance with United Kingdom 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 Institute 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.

- Comply with applicable accounting standards, including FRS 102, subject to any material departures disclosed and explained in the financial statements.
- State whether a Statement of Recommended Practice (SORP) applies and has been followed, subject to any material departures which are explained in the financial statements.
- Make judgements and estimates that are reasonable and prudent.
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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.

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.

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## Disclosure of information to the auditor

The Trustees who held office at the date of approval of this Trustees' annual report confirm that, so far as they are each aware, there is no relevant audit information of which the Institute's auditor is unaware.

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.

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## Signatory

The Trustees' annual report is approved by the Trustees of the Institute. 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 Institute.



**Vanessa Lawrence CB**  
Trustee  
22 June 2022