
Section 3

Financial statements

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

Opinion

We have audited the financial statements of The Alan Turing Institute for the year ended 31 March 2022 which comprise the Group Statement of Financial Activities, 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 2022 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 the 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.

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.

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

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 of this other information, we are required to report that fact.

We have nothing to report in this regard.

**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.

**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 strategic report or 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

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

**Matters on which we are required to report by
exception** (continued)

- 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.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 73, 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.

**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.

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.

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

**Auditor's responsibilities for the audit of the financial
statements** (continued)

- 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.
- 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.

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

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.

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.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

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

For and on behalf of: 6th Floor
Moore Kingston Smith LLP 9 Appold Street
Statutory Auditor London, EC2A 2AP

Date: 29 June 2022

Consolidated statement of financial activities

Incorporating an income and expenditure account. For the year ended 31 March 2022.

	Note	2022 General Funds £	2022 Restricted Funds £	2022 Total Funds £	Restated 2021 Total Funds £
Income and endowments					
Donations	2	326,298	60,918	387,216	814,396
Other trading activities		3,386,436	-	3,386,436	3,236,071
Investment income		15,853	-	15,853	9,285
Charitable activities					
Grant income	3	19,422,587	27,859,609	47,282,196	33,210,834
Total income		23,151,174	27,920,527	51,071,701	37,270,586
Expenditure					
Raising funds	4	477,965	-	477,965	511,217
Charitable activities					
Education and research	5	11,638,366	27,197,103	38,835,469	31,847,966
Total expenditure		12,116,331	27,197,103	39,313,434	32,359,183

Consolidated statement of financial activities

Incorporating an income and expenditure account. For the year ended 31 March 2022.

	Note	2022 General Funds £	2022 Restricted Funds £	2022 Total Funds £	Restated 2021 Total Funds £
Net income for the year before transfers	8	11,034,843	723,424	11,758,267	4,911,403
Transfers between funds	20	(1,231,474)	1,231,474	-	-
Net movement in funds		9,803,369	1,954,898	11,758,267	4,911,403
Reconciliation of Funds					
Balance brought forward at 1 April 2021 (restated)		21,124,241	8,221,449	29,345,690	24,434,287
at 31 March 2022	20-21	30,927,610	10,176,347	41,103,957	29,345,690

Balance sheet — Group and charity

At 31 March 2022

	Note	Group 2022 £	Restated Group 2021 £	Charity 2022 £	Restated Charity 2021 £
Fixed assets					
Tangible assets	13	1,669,311	817,723	1,669,314	811,542
Intangible assets	14	-	4,200	-	-
Investments	15	-	-	1	1
		1,669,311	821,923	1,669,315	811,543
Current assets					
Debtors	16	11,008,732	7,859,687	9,527,464	7,001,411
Investments	17	5,000,000	5,000,000	5,000,000	5,000,000
Cash at bank and in hand		45,533,433	43,512,437	45,401,894	42,586,824
		61,542,165	56,372,124	59,929,358	54,588,235
Creditors					
Amounts falling due within one year	18	(22,081,761)	(26,698,256)	(20,927,233)	(24,946,621)
Net current assets		39,460,404	29,673,868	39,002,125	29,641,614

Balance sheet — Group and charity

At 31 March 2022

	Note	Group 2022 £	Restated Group 2021 £	Charity 2022 £	Restated Charity 2021 £
Creditors					
Amounts falling due in more than one year	19	(25,758)	(1,150,101)	(25,758)	(1,150,101)
Net Assets		41,103,957	29,345,690	40,645,682	29,303,056
Funds					
Restricted funds	21	10,176,347	8,221,449	10,176,347	8,221,449
Unrestricted funds					
Designated funds	20	4,434,991	1,689,963	4,434,991	1,689,963
General funds	20	26,492,619	19,434,278	26,034,344	19,391,644
Total funds		41,103,957	29,345,690	40,645,682	29,303,056

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 £11,342,627 (Restated 2021: £5,775,279).

The notes on pages 87 to 124 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 2022 and signed on its behalf by:



Vanessa Lawrence CB
Trustee
22 June 2022

The Alan Turing Institute
Company number – 09512457

Consolidated statement of cash flows

For the year ended 31 March 2022

	2022 £	Restated 2021 £
Cash flows from operating activities		
Net income for the year	11,758,267	4,911,403
Adjustments for:		
Depreciation of tangible fixed assets	739,032	985,652
Amortisation of intangible fixed assets	4,200	16,811
Interest received	(15,853)	(9,285)
Loss on disposal of tangible fixed assets	20,705	-
Increase in debtors	(3,149,041)	(1,026,204)
(Decrease)/increase in creditors	(5,740,838)	821,571
Net cash generated by operating activities	3,616,472	5,699,948

	2022 £	Restated 2021 £
Cash flows from investing activities		
Purchase of tangible fixed assets	(1,611,329)	(186,221)
Interest received	15,853	9,285
Net cash from investing activities	(1,595,476)	(176,936)
Change in cash and cash equivalents in the period	2,020,996	5,523,012
Cash and cash equivalents at beginning of period	48,512,437	42,989,425
Cash and cash equivalents at end of the period	50,533,433	48,512,437

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

Notes to the financial statements

For the year ended 31 March 2022

1.

Accounting policies

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

Basis of preparation

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The 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.

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.

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.

Notes to the financial statements

For the year ended 31 March 2022

1.

Government grants

Grant income includes Government grants of £nil (2020/21 £48,053) received in respect of furloughed employees under the Coronavirus Job Retention Scheme.

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.

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.

Cost of raising funds

The cost of raising funds consists of the direct costs of raising funds and an apportionment of overhead, support and governance costs.

Cost of charitable activities

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

Gifts in kind

Where goods 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.

Intellectual property

The Institute's preferred position with regard to intellectual property (IP) is to own foreground IP created by projects that it undertakes/funds. No intangible asset for IP has been recognised in these financial statements as the value of foreground IP is deemed to be immaterial at the balance sheet date.

Notes to the financial statements

For the year ended 31 March 2022

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.

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.

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.

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.

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.

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.

Employee benefits

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

Critical accounting estimates and areas of judgement

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. The following judgements and estimates are considered by the Trustees to have most significant effect on amounts recognised in the financial statements.

Notes to the financial statements
For the year ended 31 March 2022

Donations

	2022	2022	2022	2021
	Unrestricted	Restricted	Total	Total
	£	£	£	£
Other	326,298	60,918	387,216	814,396
	326,298	60,918	387,216	814,396

In 2021, £814,396 of donations received related to unrestricted reserves.

2.

Notes to the financial statements

For the year ended 31 March 2022

3.

Grants income

	2022	2022	2022	2021
	Unrestricted	Restricted	Total	Total
	£	£	£	£
<hr/> Research Councils				
EPSRC – Core Fund	8,954,518	-	8,954,518	6,000,000
EPSRC – Additional Funding	10,000,000	187,427	10,187,427	7,300,000
EPSRC – Prosperity Partnerships	-	572,576	572,576	-
EPSRC – Sponsored Fellowships	-	1,327,420	1,327,420	987,692
UKRI / AHRC – Strategic Priorities Fund – Living with Machines	-	1,868,978	1,868,978	1,689,963
UKRI / EPSRC – Strategic Priorities Fund – AI for Science and Government	-	12,056,838	12,056,838	2,971,669
<hr/> University Partners				
Founder University Partners	-	855,178	855,178	1,640,842
Other University Partners	-	1,444,110	1,444,110	4,838,748

Notes to the financial statements
For the year ended 31 March 2022

3.

Grants income (continued)

	2022	2022	2022	2021
	Unrestricted	Restricted	Total	Total
	£	£	£	£
Strategic Research Partners				
Accenture	-	800,178	800,178	853,263
HSBC	-	-	-	1,505,698
Lloyd's Register Foundation	-	984,228	984,228	395,526
Hoffmann-La Roche	-	1,000,000	1,000,000	-
The Bill and Melinda Gates Foundation	-	822,660	822,660	991,615
Office For National Statistics	-	224,265	224,265	108,016
Other research grants	468,069	5,715,751	6,183,820	3,879,751
Other grants – non-research	-	-	-	48,051
	19,422,587	27,859,609	47,282,196	33,210,834

Included in 2021-22 is £10m of additional funding from EPSRC, awarded to the Institute to support its evolution, Turing 2.0.

The EPSRC AI for science and government programme of £12.1m was awarded from UKRI's phase 2 Strategic Priorities Fund to develop technologies of AI that underpin various economic sectors.

Included in 2021-22 in other research grants is funding received from HSBC of £600k for the FAIR prosperity partnership and from NATS of £1,045k (of which £596k is a gift in kind) for the Bluebird prosperity partnership. The partnerships are being supported with funding from EPSRC.

In 2021 grants receivable totalling £15,617,584 were related to restricted funds.

Notes to the financial statements
For the year ended 31 March 2022

Cost of raising funds

	2022	2021
	Total	Total
	£	£
Cost of raising funds	477,965	511,217
	477,965	511,217

4.

Notes to the financial statements
For the year ended 31 March 2022

Cost of charitable activities

2022

	Grants Payable (See below) £	Other Direct Costs £	Support Costs (Note 6) £	Total £
Research	15,819,523	16,308,079	6,415,021	38,542,623
Workshops and conferences	-	292,846	-	292,846
	15,819,523	16,600,925	6,415,021	38,835,469

2021

	Restated Grants Payable £	Other Direct Costs £	Support Costs (Note 6) £	Restated Total £
Research	13,390,801	12,425,174	6,031,534	31,847,509
Workshops and conferences	-	457	-	457
	13,390,801	12,425,631	6,031,534	31,847,966

5.

Notes to the financial statements
For the year ended 31 March 2022

Analysis of grants payable

5.

	2022	Restated 2021
	£	£
Analysis of institutions receiving grants		
Health Data Research UK	1,000,000	-
Imperial College London	960,190	914,491
John Innes Centre	231,408	-
Newcastle University	1,027,283	390,703
Queen Mary University of London	697,657	939,201
Science and Technology Facilities	770,650	567,912
The British Library	595,591	375,348
UKRI-NERC	(43,901)	448,729
University College London	587,475	1,231,475
University Hospital Birmingham	83	453,331
University of Birmingham	245,053	(267,832)
University of Bristol	342,498	54,087
University of Cambridge	1,234,881	1,399,535
University of Edinburgh	671,156	895,193
University of Exeter	733,338	695,835
University of Leeds	732,637	550,988
University of Liverpool	337,139	-
University of Manchester	467,439	298,197

Notes to the financial statements

For the year ended 31 March 2022

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.

Analysis of grants payable (continued)

	2022	Restated 2021
	£	£
Analysis of institutions receiving grants		
University of Oxford	1,728,844	1,053,675
University of Sheffield	781,439	-
University of Southampton	228,267	905,351
University of Warwick	950,634	828,603
Other grants less than £160k	1,539,762	1,655,979
	15,819,523	13,390,801

Notes to the financial statements

For the year ended 31 March 2022

6.**Support costs**

	2022	2021
	£	£
Travel and subsistence	24,597	3,160
Office costs	115,129	83,366
Rent, rates and service charge	646,175	642,296
Repairs and maintenance	4,602	6,928
Subscriptions	122,896	168,312
Staff costs	3,751,338	3,078,769
Staff training and hospitality	87,694	34,120
Recruitment	166,460	53,161
Telecommunications	26,599	31,938
Computer running costs	330,206	294,894
Legal fees	144,405	71,369
Other professional fees	160,209	109,175
Consultancy	119,373	146,789
Depreciation	576,050	804,904
Amortisation	4,200	16,811
Insurance	96,285	79,616
Marketing	9,063	301
Foreign exchange (gain)/loss	(32,845)	311,354
Sundry costs	21,297	56,800
Governance costs (see note 7)	41,288	37,470
	6,415,021	6,031,534

Notes to the financial statements
For the year ended 31 March 2022

Governance costs

	2022	2021
	£	£
Auditor's remuneration:		
Audit of the financial statements (current year)	37,179	30,786
Other services	4,061	6,486
Legal and professional fees	47	198
	41,287	37,470

7.

Notes to the financial statements
For the year ended 31 March 2022

Net income/(expenditure)

	2022	2021
	£	£
<hr/> Net income is stated after charging: <hr/>		
Depreciation	739,032	985,652
Amortisation	4,200	16,811
Operating lease rentals	944,834	943,149
Auditor's remuneration		
Audit of the financial statements (current year)	37,179	30,786
Other services	4,061	6,486

8.

Staff costs

	2022	2021
	£	£
Staff expenses includes the following employee costs:		
Wages and salaries	13,335,805	10,242,307
Social security costs	1,460,308	1,155,470
HMRC apprenticeship levy	49,333	36,302
Other staff costs:		
Contractors	665,897	170,229
Secondments	484,918	778,314
Pension costs	1,176,235	926,974
	17,172,497	13,309,596

Key management personnel include those involved in executive decision-making and are listed in Section 2 of this report. The total employee benefits of the charity's key management personnel was £1,886,376 (2021: £1,594,786).

Included in the above costs are termination payments to three individuals totalling £40,146 (2021: One individual totalling £11,166).

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

	2022	2021
£60,000 - £69,999	21	14
£70,000 - £79,999	7	6
£80,000 - £89,999	7	9
£90,000 - £99,999	7	5
£100,000 - £109,999	3	-
£110,000 - £119,000	1	-
£130,000- £139,999	-	1
£160,000 - £169,999	-	2
£170,000 - £179,999	1	-
£180,000 - £189,999	1	-
£220,000 - £229,999	-	1
£260,000 - £269,000	1	-

Notes to the financial statements

For the year ended 31 March 2022

10.

Trustees' payments

Howard Covington received remuneration totalling £31,758 (2021: £30,000) during the year for the purpose of being Chairman of the Charity. No other Trustee received any remuneration or emoluments.

There were no Trustees receiving travelling and accommodation expenses during the period. (2021: none)

Notes to the financial statements
For the year ended 31 March 2022

11.

Employees

	2022 Number	2021 Number
<hr/> The average number of employees by function were:		
Executive	11	9
HR, Finance, Legal and Information Technology	53	43
Communications and Engagement	17	13
Partnership Development	7	7
Research and Research Support	195	166
	283	238

Notes to the financial statements

For the year ended 31 March 2022

12.

Taxation

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

Notes to the financial statements

For the year ended 31 March 2022

13.**Tangible fixed assets — Group**

	Leasehold Improvements	Fixtures Fittings and Equipment	Total
Cost or valuation	£	£	£
At 1 April 2021	2,580,152	2,150,488	4,730,640
Additions	527,721	1,083,608	1,611,329
Disposal	(37,036)	(89,546)	(126,582)
At 31 March 2022	3,070,837	3,144,550	6,215,387
Depreciation			
At 1 April 2021	2,218,887	1,694,030	3,912,917
Charge for the year	365,793	373,239	739,032
Eliminated on disposal	(37,034)	(68,839)	(105,873)
At 31 March 2022	2,547,646	1,998,430	4,546,076
Net Book Value			
At 31 March 2022	523,191	1,146,120	1,669,311
At 31 March 2021	361,265	456,458	817,723

Notes to the financial statements

For the year ended 31 March 2022

13.**Tangible fixed assets — Charity**

	Leasehold Improvements £	Equipment and Machinery £	Total £
Cost or valuation			
At 1 April 2021	2,580,152	2,051,946	4,632,098
Additions	527,721	1,083,608	1,611,329
Disposal	(37,036)	(89,859)	(126,895)
At 31 March 2022	3,070,837	3,045,695	6,116,532
Depreciation			
At 1 April 2021	2,219,276	1,601,279	3,820,555
Charge for the year	365,793	367,058	732,851
Eliminated on disposal	(37,423)	(68,765)	(106,188)
At 31 March 2022	2,547,646	1,899,572	4,447,218
Net Book Value			
At 31 March 2022	523,191	1,146,123	1,669,314
At 31 March 2021	360,876	450,667	811,542

Intangible fixed assets — Group

	Software £
<hr/>	
Cost or valuation	
<hr/>	
At 1 April 2021 and 31 March 2022	67,241
<hr/>	
Amortisation	
<hr/>	
At 1 April 2021	63,041
<hr/>	
Charge for the year	4,200
<hr/>	
At 31 March 2022	67,241
<hr/>	
Net Book Value	
<hr/>	
At 31 March 2022	-
<hr/>	
At 31 March 2021	4,200

14.

Investments in subsidiaries

	Investment in Subsidiary £
Cost	
At 1 April 2021 and 31 March 2022	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 2022:

	2022 £
Income	2,699,284
Expenditure	(2,247,193)
Net income	452,091
Total assets	1,713,507
Total liabilities	(1,255,232)
Net assets	458,275

In January 2021, Turing Innovations Limited purchased an investment in Quaisr Limited, a company that builds simulations and visualisations that incorporate uncertainty quantification. The allocation of share capital was directly proportional to the background intellectual property contributed to Quaisr Limited by its founder members. The investment represents 0.92% of the ordinary share capital of the company and as at 31 March 2022 the value of the investment was deemed to be not materially different from its cost and therefore no fair value adjustment has been made in these financial statements.

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Notes to the financial statements
For the year ended 31 March 2022

16.

Debtors

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Trade debtors	3,034,275	2,469,456	1,452,304	701,723
Tax and social security	-	-	-	-
Prepayments and accrued income	7,844,241	5,239,276	7,844,241	5,110,751
Intercompany	-	-	100,703	1,037,982
Other debtors	130,216	150,955	130,216	150,955
	11,008,732	7,859,687	9,527,464	7,001,411

Trade debtors above are measured at amortised cost.

Notes to the financial statements
For the year ended 31 March 2022

Current investments

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Short-term deposits	5,000,000	5,000,000	5,000,000	5,000,000

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 2022

Creditors: amounts falling due within one year

	Group 2022 £	Restated Group 2021 £	Charity 2022 £	Restated Charity 2021 £
Trade creditors	970,876	204,385	970,876	130,783
Taxation and social security	825,277	819,114	476,206	437,071
Grant creditors	15,683,265	13,682,007	15,683,265	13,682,007
Accruals and deferred income	4,431,533	7,591,896	3,626,076	6,295,906
Other creditors	170,810	4,400,854	170,810	4,400,854
	22,081,761	26,698,256	20,927,233	24,946,621

Included in other creditors in 2021 was an amount due to UKRI of £4.2m that represented a repayment of grant funding in respect of Phase 1 of the AI for science and government programme. The grant was repaid in September 2021.

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Notes to the financial statements
For the year ended 31 March 2022

Creditors: amounts falling due in more than one year

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Grant creditors	25,758	1,150,101	25,758	1,150,101

19.

Notes to the financial statements
For the year ended 31 March 2022

20.

Unrestricted funds

	At 1 April 2021 £	Income £	Expenditure £	Transfers £	Balance 31 March 2022 £
General Fund	19,391,644	10,451,890	(1,614,166)	(2,195,024)	26,034,344
Designated funds					
Towards Turing 2.0	-	10,000,000	(8,017,226)	-	1,982,774
AI for Science and Government	-	-	-	1,000,000	1,000,000
Safe and ethical AI fund	1,689,963	-	(237,746)	-	1,452,217
Charity Total	21,081,607	20,451,890	(9,869,138)	(1,195,024)	30,469,335
Turing Innovations Limited	42,634	2,699,284	(2,247,193)	(36,450)	458,275
Group Total	21,124,241	23,151,174	(12,116,331)	(1,231,474)	30,927,610

Designated funds includes: a £10m grant from EPSRC to build the foundations of Turing 2.0, enabling the Institute to invest in activities that support its evolution. A £1m transfer from the general fund to support the AI for science and government programme; and 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 four years.

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

Notes to the financial statements
For the year ended 31 March 2022

21.

		Restricted funds				
		Restated at 1 April 2021	Income	Expenditure	Transfers	Balance 31 March 2022
		£	£	£	£	£
a	EPSRC - AI for Science and Government	(1,459,204)	12,056,838	(10,224,330)	-	373,304
b	EPSRC / BEIS - Sponsored Fellowships	4,333	1,327,420	(945,846)	-	385,907
c	EPSRC - Additional Funding	-	187,427	-	-	187,427
d	EPSRC/HSBC - Prosperity Partnership	-	678,553	(123,176)	-	555,378
e	EPSRC/NATS - Prosperity Partnership	-	1,540,078	(1,011,408)	-	528,671
f	AHRC - Living with Machines fund	30,004	1,868,978	(1,776,728)	-	122,253
g	Lloyd's Register Foundation fund	1,332,375	984,228	(936,504)	-	1,380,099
h	HSBC fund	1,160,593	-	(12,890)	-	1,147,703
i	Intel Corporation fund	312,896	-	(140,033)	-	172,863
j	University partner research fund	2,452,421	2,299,288	(5,983,183)	1,231,474	0
k	The Bill and Melinda Gates Foundation	1,488,374	822,660	(1,203,631)	-	1,107,403

Notes to the financial statements
For the year ended 31 March 2022

Restricted funds (continued)

	Restated at 1 April 2021 £	Income £	Expenditure £	Transfers £	Balance 31 March 2022 £
l Hoffmann-La Roche	-	1,000,000	(142,887)	-	857,113
m Accenture	506,919	800,178	(391,144)	-	915,953
n Office for National Statistics	-	224,265	(35)	-	224,230
o Other research fund	2,392,739	4,130,615	(4,305,309)	-	2,218,045
Charity and Group Total	8,221,449	27,920,527	(27,197,103)	1,231,474	10,176,347

21.

Notes to the financial statements

For the year ended 31 March 2022

21.

Restricted funds (continued)

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 AI for science and government programme was awarded from UKRI's phase 2 Strategic Priorities Fund to develop AI technologies that underpin various economic sectors.
-
- b** EPSRC on behalf of UKRI is 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.
-
- c** EPSRC has awarded funding to three research projects including £150k awarded to support the Institute's work on the AI infrastructure strategic review.

d, e EPSRC has made awards to fund two research collaborations through its prosperity partnership programme. The Institute is in partnership with two other collaborators, HSBC and NATS, which have also made contributions to the programme.

f 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.

g The Lloyds Register Foundation fund will finance a research programme that supports data-centric engineering.

h The HSBC fund will finance a research programme that supports collaboration in finance and economics.

Notes to the financial statements

For the year ended 31 March 2022

21.

Restricted funds (continued)

-
- i** The Intel Corporation fund will finance data science and its application.
-
- j** In October 2020 the Institute agreed an interim funding model which has seen a reduction in funding from £1m per university partner to £300k per university partner. This has created a deficit in the fund for 2021/22. A transfer has been made from unrestricted reserves to set the restricted fund balance to zero.
-
- k** The Bill and Melinda Gates Foundation award will fund a research programme focused on enhancing security and privacy of national identity systems.
-
- l** The Hoffmann-La Roche award will fund advanced analytics to enable the transformative benefits of personalised healthcare for patients by generating insights to better understand patient and disease heterogeneity and its relevance to clinical outcomes.
-
- m** 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.
-
- n** The Institute is working in collaboration with the Office for National Statistics to deliver a research collaboration in data science and artificial intelligence covering economic networks and translation data, economic nowcasting, synthetic data, and privacy preservation.
-
- o** Other research fund represents various research grants from charities, business and government departments to fund specific research collaborations.

Notes to the financial statements
For the year ended 31 March 2022

Restricted funds (continued)

	Balance 1 April 2020 £	Income £	Restated Expenditure £	Transfers £	Restated Balance 31 March 2021 £
EPSRC Capital fund	1,526,642	-	(593,368)	(933,273)	-
EPSRC – AI for Science and Government	3,228,422	2,971,669	(7,659,295)	-	(1,459,204)
EPSRC / BEIS – Sponsored Fellowships	3,861	1,216,638	(1,216,166)	-	4,333
AHRC – Living with Machines fund	(92,177)	1,689,963	(1,567,782)	-	30,004
Lloyd's Register Foundation fund	2,362,889	395,526	(1,426,040)	-	1,332,375
HSBC fund	555,043	1,505,698	(900,148)	-	1,160,593
Intel Corporation fund	509,741	-	(196,845)	-	312,896
University partner research fund	(4,160,851)	2,479,590	(5,666,318)	9,800,000	2,452,421
The Bill and Melinda Gates Foundation	1,379,597	991,615	(882,838)	-	1,488,374
Accenture	103,441	719,930	(316,452)	-	506,919
Other research fund	2,072,836	3,646,955	(4,388,860)	1,061,808	2,392,739
Charity and consolidated restricted	7,489,444	15,617,584	(24,814,113)	9,928,535	8,221,449

21.

Notes to the financial statements
For the year ended 31 March 2022

Analysis of net group assets between funds

	Unrestricted £	Restricted £	Total £
At 31 March 2022			
Tangible fixed assets	1,379,595	289,716	1,669,311
Net current assets	30,779,489	8,680,915	39,460,404
Long-term creditors	-	(25,758)	(25,758)
	32,159,084	8,944,873	41,103,957

22.

	Unrestricted £	Restricted £	Total £
At 31 March 2021 (restated)			
Tangible fixed assets	768,439	49,284	817,723
Intangible fixed assets	-	4,200	4,200
Net current assets	20,355,802	9,318,066	29,673,868
Long-term creditors	-	(1,150,101)	(1,150,101)
	21,124,241	8,221,449	29,345,690

Notes to the financial statements
For the year ended 31 March 2022

Financial commitments

The charitable company was committed to making the following total payments under non-cancellable operating leases as at 31 March 2022:

	2022	2021
	£	£
Payments due:		
Within one year	944,834	470,326
Between 2 and 5 years	-	247,719
	944,834	718,045

23.

Notes to the financial statements

For the year ended 31 March 2022

Related parties

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.

Current year to 31 March 2022

	Grant expenditure awarded £	Grant income received £	Re-charged expenditure £	Period end Debtor/(creditor) £
Engineering and Physical Sciences Research Council	-	33,098,780	-	-
The Royal Society	-	136,963	-	-
University College London	106,061	-	727,903	87,104
University of Cambridge	243,497	308,200	1,478,379	-
University of Edinburgh	56,747	117,506	2,004,520	232,471
University of Oxford	275,676	-	693,536	(111,808)
University of Warwick	(324,602)	150,000	626,031	510,413
	357,379	33,811,449	5,530,368	718,180

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Notes to the financial statements

For the year ended 31 March 2022

24.**Related parties (continued)****Prior year to 31 March 2021**

	Grant expenditure awarded £	Grant income received £	Re-charged expenditure £	Period end Debtor/(creditor) £
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)
	4,064,866	18,962,383	3,517,509	(55,655)

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

Transactions with subsidiary

During the year the parent charity re-charged staff and other costs to the subsidiary company, Turing Innovations Limited of £1,118,973 (2021: £1,064,280).

During the year Turing Innovations Limited made a gift aid distribution to The Alan Turing Institute of £36,451 (2021: £875,614).

At the year end Turing Innovations Limited owed The Alan Turing Institute £100,703 (2021: £1,037,982).

Notes to the financial statements

For the year ended 31 March 2022

Company status

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

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Notes to the financial statements

For the year ended 31 March 2022

Prior year adjustment

	Surplus for the year ended 31 March 2021
As previously stated	8,892,727
Restatement of prior year	
(a) University Liaison	(671,278)
As restated	8,221,449

26.

(a) Upon review of documentation in the year, it was noted that commitments made in respect of University Liaison appointments in the year ended 31 March 2021 had not been fully accrued. All commitments at the start and end of the prior year have now been included in the accounts, as above. There was no impact on funds as at 1 April 2021.