The financial statements comply with the Charities Act 2011, 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

Section 2
Trustees’ and strategic report

The financial statements comply with the Charities Act 2011, 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
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:

Douglas Gurr
Chair – appointed on 1 July 2022

Nicola Blackwood-Bate

Frank Kelly

Richard Kenway

Kerry Kirwan

Vanessa Lawrence CB

Thomas Melham

Carina Namih

Hitesh Thakrar

Neil Viner

Patrick Wolfe

Key management as at 31 March 2023

Executive Team

Adrian Smith
Institute Director and Chief Executive

Jonathan Atkins
Chief Operating Officer

Mark Girolami
Chief Scientist

Senior Management Team

Donna Brown
Director of Academic Engagement

Ian Carter
Director of IT and Information Security

Allaine Cerwonka
Director of International

Vanessa Forster
General Counsel and Company Secretary

Nicolas Guernion
Director of Partnerships

Sophie McIvor
Director of Communications and Engagement

Martin O’Reilly
Director of Research Engineering

Wayne Orr
Interim Director of Finance and Facilities

Clare Randall
Director of People

Simon Reeve
Director of Innovation

Georgette Shearer
Interim Director of Programme Management
Programme Directors as at 31 March 2023

George Balston  
Defence and security

Mark Birkin  
Urban analytics

Cosmina Dorobantu  
Public policy

Chris Holmes  
Health and medical sciences

Ben MacArthur  
AI for science and government and health and medical sciences

Helen Margetts  
Public policy

Jonathan Rowe  
AI for science and government and data science for science and humanities

Adam Sobey  
Data-centric engineering

Łukasz Szpruch  
Finance and economics

Sethu Vijayakumar  
Artificial intelligence

Tim Watson  
Defence and security

Michael Wooldridge  
Foundational AI

Alan Wilson  
Special projects

Kirstie Whitaker  
Tools, practices and systems

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

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

Bankers  
Barclays Bank UK PLC  
Leicester  
Leicestershire, LE87 2BB

Solicitors  
Bates Wells  
10 Queen Street Place  
London, EC4R 1BE

Mills & Reeve  
100 Hills Road  
Cambridge, CB2 1PH

Bevan Britan  
Kings Orchard  
1 Queens Street  
Bristol, BS2 0HQ
Structure, governance and management

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. Up until 2023, the Institute's ambitions were to:

- Produce world-class research in the foundations of data science and artificial intelligence.
- Have a transformative impact on the way that data and algorithms are used in the economy, in government and in society.
- Educate and train data scientists.

With the Institute now moving forward with its new vision for the next five years – one where the Turing will be the UK’s centre for harnessing the power of data science and AI, and will make a lasting impression on the world’s most pressing societal challenges – the Institute will now pursue the following objectives:

- To transition towards a challenge-led approach to science and innovation, introducing a new focus on translating research excellence into societal impact and broader UK commercial success.
- To support our challenge-led approach by maintaining and developing the foundations of world-class data science and AI research.
- To reinforce our existing skills and training programmes and concentrate our efforts to target gaps in the talent pipeline, notably the transfer of skills across business, public sector and third sector leadership.
- To work to deliver for society by distilling fast-moving developments in data science and AI into trusted, actionable advice, thereby increasing public understanding, supporting evidence-based policymaking and enabling the use of AI and data science to improve the delivery of public service.
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.

**Related parties**

The Institute's Founder Members are the Engineering and Physical Sciences Research Council (EPSRC) and the Universities of Cambridge, Edinburgh, Oxford, Warwick, and University College London (UCL). 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, Southampton and Queen Mary University of London. These agreements came to an end on 31 March 2023 and have been replaced by a new Turing University Network open to all UK universities. To date, 36 universities have joined the new network. The Institute has a wholly owned subsidiary: Turing Innovations Limited (10015591). Turing Innovations Limited has a minority shareholding in Quaisr Limited, a private limited company (12704209).

**Board composition and responsibilities**

The Institute is governed by its Board of Trustees, six of whom have been appointed by the six Founder Members and five of whom are Independent Trustees. The new Chair of the Board of Trustees joined 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.

**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 up to 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 news and significant issues affecting the Institute.

The Executive Team, led by the Institute Director 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.
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.

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 its compliance with reporting requirements; the committee reports to the main Board on these particulars. It monitors the work of 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
Hitsh Thakrar
Patrick Wolfe
Stephane Maikovsky
(Independent member/non-Trustee)

Nomination and Governance Committee
This committee is responsible for all aspects of the appointment of new non-Founder Member Trustees to the Board of Trustees, as well as 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. During early 2022, this committee led the recruitment process for the Chair of the Institute and later in the year has taken the lead on the recruitment process for the Institute Director, which is due to conclude in early 2023-24.

Membership:
Vanessa Lawrence CB
Chair
Nicola Blackwood-Bate
Richard Kenway
Thomas Melham

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:
Hitsh Thakrar
Chair
Frank Kelly
Richard Kenway
Carina Namih
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 on strategic aspects of the Institute’s research and innovation activities, including support with research and training programmes.

**Scientific Advisory Board**
This is intended to be an independent group 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. This group was stood down by the Board in 2021-22, with a view to reconstitution after the new strategy was launched. This remained under review by the Board of Trustees at the end of this financial year.

Other advisory and liaison groups:

**Strategic Partners Board**
This group is intended to advise the Board of Trustees 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 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. This group was stood down on 31 March 2023 as part of the move towards the national network of universities through the Turing University Network.
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 Trustees (i.e., non-Founder Member appointed Trustees).

During the year, a comprehensive and open recruitment process was undertaken to appoint the Chair of the Board of Trustees. This was successfully concluded with the new Chair of the Institute joining on 1 July 2022. There were no further Trustee appointments made during the 2022-23 financial year.

On appointment, every Trustee completes a declaration of interests form, which is held within a register of interests and 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”.

Trustee training

During the year, the Trustees received externally facilitated training on equality, diversity and inclusion, covering aspects such as how the Board continues to take the role of leadership in this critical area to the Institute, both in the national context as well as organisationally for its people and stakeholders.
Financial review

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

Income of £52.5m (2021/22: £51.1m) has been received during the year of which £30.8m was received from Research Councils (2021/22: £35m), £4m from Founding Members and University Partners (2021/22: £2.3m), £10.6m from strategic research partners and other research partnerships (2021/22: £10m), £6.9m from other trading activities and investment income (2021/22: £3.4m) and £0.2m (2021/22: £0.4m) from donations.

Of the £30.8m received from Research Councils, £28.7m was awarded by the EPSRC and includes £10m to cover core operating costs for the year 2022/23; £5m to further the Institute’s ecosystem leadership with the aim of delivering the Institute’s evolution to Turing 2.0; £1.8m to facilitate the Institute to bring disciplines together in the field of AI in net zero, AI in health and responsible; and £1.1m awarded to specific research programme activities including the Strategic Priorities Fund – AI for Science and Government.

Expenditure of £47.3m (2021/22: £39.3m) has been incurred in the year. Grants payable to Founding Members and other University Partners represent 24% of total expenditure (2021/22: 40%). The lower proportion of expenditure payable to Founding Members and University Partners is the result of a number of one-off awards approved in 2021/22 following the one-off receipt of £10m of additional funding from EPSRC to support the Institute’s evolution to Turing 2.0.

Staff costs represent 48% (2021/22: 44%) of total expenditure, increasing from £17.3m in 2021/22 to £22.6m in 2022/23, as the Institute expands its research programme delivery and its operational areas to support delivery. The remaining 28% (2021/22: 16%) of expenditure covers support costs and other direct costs.

The Group made a surplus of £5.2m (2021/22: £11.8m). This has been transferred to reserves and will be used to fund research and Group costs during 2023/24 and beyond.

Group net assets as at 31 March 2023 are £46.3m (2022: £41.1m).

Fixed assets decreased by £0.2m. During the year, £0.6m was spent on computer equipment and £0.3m on developing our new Enterprise Resource Planning (ERP) tool. The additions were offset by £1.1m of depreciation charges in the year.

Current assets: Debtors are £10.6m (2022: £11m) and include; trade debtors of £4m (2022: £3m) and prepayments and accrued income of £6.6m (2022: £7.8m). Cash and current asset investments were £50.5m (2022: £50.5m). The high levels are largely due to the upfront nature of cash receipts on many of the Institute’s grant awards. Current asset investments include £5m held in an interest bearing 95-day notice account with Barclays, £10m held in U.K Treasury Bills and £5m invested in a Certificate of Deposit.

Creditors: amounts falling due within one year are £16.2m (2022: £22.1m). Grant creditors were £7.5m lower than last year, driven by the conclusion of the Turing 2.0 funded projects and the two Strategic Priorities Fund Programmes (AI for Science and Government and Living with Machines). Accruals and deferred income were £1.3m higher than last year due to a £1.4m increase of project funding received in the current year but deferred, and a decrease of £0.1m of accrued project expenditure. Trade creditors and other creditors are £0.3m higher than last year.
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.

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.

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.

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.

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 £10.3m as at 31 March 2023.

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 Charity’s unrestricted Fund as at 31 March 2023 was £34.1m (2022: £30.5m). This includes £5.3m (2022: £0.9m) of funding held to cover future years’ financial commitments (The operating lease expired on 26 March 2023 and negotiations for the lease renewal are ongoing and are expected to be concluded post year-end); £1.1m (2022: £nil) of funding held to cover capital commitments contracted and capital commitments authorised but not contracted.

Included in general reserves are the following designated funds: £1m to support the AI for science and government programme (2022: £1m); £1.2m (2022: £1.5m) for the Institute’s safe and ethical AI programme; £1.5m (2002: £nil) to support project initiatives under the Ecosystem Leadership Award and Technologies Mission Fund; and £9.9m (2022: £nil) Out of Budget Fund who’s purpose is to fund project activities that will allow the Institute to progress it’s Turing 2.0 vision. This leaves £14.1m of free reserves (2022: £25.1m). 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 2023, the Institute holds £10.2m (2022: £10.2m) 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 those senior managers reporting directly to the Institute Director. 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 table below are for The British Library’s St. Pancras building, in which the Institute occupies 2,305 square meters of space out of a building total of 128,125 square meters. It is not possible to disaggregate our energy usage and emissions from that of the whole building.

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 meter floor area is reported to reflect the energy efficiency of the building.

<table>
<thead>
<tr>
<th>Energy</th>
<th>2023</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gas</td>
<td>5,091,507</td>
<td>5,257,272</td>
<td>4,233,045</td>
</tr>
<tr>
<td>Purchased electricity</td>
<td>14,729,298</td>
<td>13,070,918</td>
<td>12,289,327</td>
</tr>
<tr>
<td>Total energy</td>
<td>19,820,805</td>
<td>18,328,190</td>
<td>16,522,372</td>
</tr>
</tbody>
</table>

Breakdown of emissions associated with the reported energy use (tCO2e):

<table>
<thead>
<tr>
<th>Emission source</th>
<th>2023</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope 1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gas</td>
<td>929.4</td>
<td>962.9</td>
<td>778.3</td>
</tr>
<tr>
<td>Scope 2:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchased electricity</td>
<td>2,848.4</td>
<td>2,775.4</td>
<td>2,865.1</td>
</tr>
<tr>
<td>Total gross emissions</td>
<td>3,777.75</td>
<td>3,738.3</td>
<td>3,643.4</td>
</tr>
</tbody>
</table>

Intensity ratio

<table>
<thead>
<tr>
<th>Tonnes of CO2e per square metre floor area</th>
<th>2023</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0.029</td>
<td>0.029</td>
<td>0.028</td>
</tr>
</tbody>
</table>

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.
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 opposite.

<table>
<thead>
<tr>
<th>Risk description</th>
<th>Risk mitigation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sources of funding for the Institute continued to be under review during the year.</td>
<td>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 including the Quinquennial Review (QQR) process due to be concluded during 2023-24.</td>
</tr>
<tr>
<td>Failure to comply with legal and charity commission requirements such as data protection, serious incident reporting, National Security and Investments Act (NS&amp;I) and export regulations.</td>
<td>Continuing focus on improving the control environment during the year with policies, procedures and guidance documents updated and introduced.</td>
</tr>
<tr>
<td>Loss of, or inappropriate handling of, the Institute's data.</td>
<td>Implementing robust security processes, both physical and virtual.</td>
</tr>
<tr>
<td>AI applications developed by or in partnership with the Institute being used for malicious or unintended purposes.</td>
<td>Monitoring and updating ethics processes, ensuring they remain fit for purpose and adequately resourced. This included the launch of a new research ethics process during the year.</td>
</tr>
</tbody>
</table>
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 Institute for the benefit of its members as a whole.

In this section, you will find examples of how we have 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, the success of our relationships with suppliers and customers, and 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

<table>
<thead>
<tr>
<th>Board considerations</th>
<th>All Board decisions are made to further the success of the Institute for the long-term benefit of its members and stakeholders.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual report and accounts</td>
<td>Whilst we have statutory obligations to provide certain information in our annual report, we try to present this in an engaging and understandable way. We also look to enhance our sharing of information during the year through the content made available on the Institute’s website.</td>
</tr>
<tr>
<td>Founder Member approvals</td>
<td>During the year, the member representatives were asked to approve certain matters which were reserved for them, as covered in the constitutional documents. In addition, consideration is currently being given to potential amendments to the constitutional documents as part of the regular review of governance arrangements undertaken by the Board of Trustees.</td>
</tr>
<tr>
<td><strong>2. Colleagues</strong></td>
<td></td>
</tr>
<tr>
<td>-------------------</td>
<td></td>
</tr>
<tr>
<td><strong>Board considerations</strong></td>
<td>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 reports on health and safety and data protection reviewed by the Audit and Risk Committee and the annual report on equality, diversity and inclusion reviewed by the Remuneration, EDI and People Committee.</td>
</tr>
<tr>
<td><strong>Town Hall</strong></td>
<td>Enhancing employee engagement is an integral part of the culture of the Institute. Senior management are actively involved in the engagement of colleagues through regular email communication, monthly Turing Catch Ups and quarterly Town Hall meetings that involve employees and full-time members of the wider Turing community, to provide updates on business and strategic developments.</td>
</tr>
<tr>
<td><strong>Equality, diversity and inclusion (EDI)</strong></td>
<td>The Institute recognises that promoting and embedding EDI in our function as employer, research institute and national body is integral to achieving our mission. The ownership for delivery of the EDI 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 last financial year include the Remuneration, EDI and People Committee receiving the second annual report on EDI and the Institute’s first Gender Pay Gap Report, as well as a focused session for the Board of Trustees on diversity and inclusion in data science and AI. Further information on the wider EDI activity at the Institute is available in section 1.</td>
</tr>
<tr>
<td><strong>Hybrid working survey</strong></td>
<td>During the year, the Institute undertook a pilot exercise to consider working practices and whether a hybrid working model is effective for its employees. The response to the pilot was very positive and the Institute is now in the process of implementing changes to terms and conditions to embed the hybrid working practices for its employees from the pilot exercise.</td>
</tr>
<tr>
<td><strong>Employee remuneration and recruitment</strong></td>
<td>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 2023.</td>
</tr>
</tbody>
</table>
3. Customers and suppliers

| Board considerations | The Trustees recognise the existence of key external stakeholders both nationally and internationally (general public, Founding Members, university partners, strategic and commercial partners, government agencies, public health bodies, charitable foundations, customers and suppliers).
| | 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.

| Trusted research status with national and international convening power | The Institute is unique in having the capability to convene the data science community both nationally and internationally. Over the last few years, there have been a variety of successes, ranging from the genesis of a new discipline (data-centric engineering) to the formation of strong bonds with the UK Government defence and security community. This includes the intelligence agencies, such as MI5, who during the year broke precedent to announce a public partnership with the Institute.

| Training and skills development | The Institute has continued to improve its training and skills development opportunities. Examples from the year include:
| | – Turing Connections, which creates and signposts data science and artificial intelligence opportunities relevant to PhD students.
| | – Learning at the Turing programme: a portfolio of learning materials and activities where anyone with an interest in data science and AI can take part in events and courses, as well as contribute to and reuse existing training materials.
| | – Continuing to deliver award winning Data Study Groups, which bring together industry, government and the third sector with researchers from academia to consider data science solutions for real world problems.
| | – Working with the Alliance for Data Science Professionals to define and deliver standards of professional competence for data science.
| | The Institute has identified skills development as a key deliverable of the organisation's new strategy and as part of its ongoing remit as a national institute.

| 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. |
3. Customers and suppliers (continued).

<table>
<thead>
<tr>
<th>Stakeholder liaison meetings</th>
<th>During the year, the Institute worked closely with its customer stakeholder groups across academia, industry and government, including:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>− University Partner Board meetings.</td>
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<td></td>
<td>− Strategic Partner Board meetings.</td>
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<td></td>
<td>− Regular meetings with UKRI/EPSRC.</td>
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<td></td>
<td>− Regular engagement with universities through our University Liaison Managers.</td>
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<td></td>
<td>− Hosting the third annual AI UK showcase.</td>
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<td></td>
<td>− Regular liaison with the member representatives.</td>
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</tbody>
</table>
4. Community and environment

<table>
<thead>
<tr>
<th>Board considerations</th>
<th>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.</th>
</tr>
</thead>
</table>
| Leading the public conversation | The Institute's Communications and Engagement programme is one way the Institute leads the public conversation on data science and AI. Examples include:  
- The third annual AI UK event, hosted by the Institute in March 2023.  
- The Turing Lecture series.  
- The Living with Machines exhibition at Leeds City Museum.  
- The #TalkDataToMe video series.  
- Providing expert commentary on ChatGPT and other forms of generative AI. |
| Community collaboration | One of the Institute’s key contributions is bringing together experts with a range of skills and from an extensive range of disciplines – from the social sciences to theoretical mathematics – to tackle problems collaboratively.  
This can be evidenced by a number of events, such as the exploring foundation models events and the setting up of new interest groups; but it is best represented through the third annual AI UK event, which involved 1,343 attendees in person and a further 600 online in March 2023. |
| Links to industry | 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 & Melinda Gates Foundation, UK Defence and 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.  
There are typically around 50 partnerships running from the Institute at any one time, including strategic partnerships and collaborative research project partnerships. |
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:

- The creation and launch of the AI Standards Hub, which is dedicated to the sharing of knowledge and research around AI standards. This formed a part of the Government’s National AI Strategy.
- The introduction of the Centre for Emerging Technology and Security (CETaS), which is a non-profit, non-political research centre based at the Institute, set up to inform UK security policy through evidence-based, interdisciplinary research on emerging technology issues.
- Appointment of David Leslie, Turing Theme Director of Ethics and Responsible Innovation Research, as a Specialist Advisor to the Council of Europe’s Committee on AI.
- Introduction of the Turing Research Ethics process, designed to help mitigate the ethical risks of research projects where the Institute is involved.
- The Turing Way – the online handbook for reproducible, ethical and collaborative data science, which is in its fourth year of use.
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.

Principal decision 1: Appointed the Chair of the Board of Trustees

In July 2022, the new Chair of the Board of Trustees, Dr Doug Gurr, joined the Institute after an open and transparent global recruitment process.

Principal decision 2: Strategy

The Board of Directors approved the new five-year strategy, which was subsequently published at the AI UK Event in March 2023 after a period of consultation with the Institute’s stakeholders.

Principal decision 3: Review of Constitutional Documents

During the year, the Board of Trustees undertook a review of the Constitutional Documents (made up of The Alan Turing Institute Articles of Association and the Joint Venture Agreement between the Founder Members and the Institute). This resulted in proposed changes to deliver the effective governance structures necessary to support the new strategy. The proposals are currently being consulted on with the Founder Members, as required by the Constitutional Documents.

Principal decision 4: Turing University Network

During the year, the Board of Trustees approved the introduction of the new national network for UK universities to collaborate with the Institute, to be known as the Turing University Network. This was approved for launch in April 2023, with the University Partners Board stood down as an advisory group to the Board at the same time.

Principal decision 5: British Library premises

The Board agreed to renew the lease arrangements for the 1st, 2nd and 4th floors of the British Library building in King’s Cross.

Principal decision 6: Improvements to the control environment

During the year, the Board, its sub-committees and the subsidiary company, Turing Innovations Limited, instigated improvements to the control environment through reviewing, updating and approving key corporate policies and controls. This included the equality, diversity and inclusion, fixed assets and treasury management policies, the business continuity plan, the appointment of King and Shaxson as investment advisors, the introduction of an international opportunity assessment framework and the public release of the Turing Data Safe Haven.
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 2022-23, 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 the implementation of the new strategy, updating of Board member induction and appraisal processes, and updates to corporate policies such as the equality, diversity and inclusion (EDI) policy.

Relevant areas of particular focus this year have included:

### Strategy
The Board of Trustees approved the new strategy during the year, after an extensive and wide-ranging consultation with stakeholders.

### Sustainable long-term funding – Quinquennial Review (QQR)
The Institute has been involved in preparation for a Quinquennial Review with EPSRC to assess whether the strategy and plans for the next five years meet UKRI funding requirements. This process is expected to conclude in 2023-24.

### 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. The ownership for delivery of the EDI 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 last financial year include the Remuneration, EDI and People Committee receiving the second annual report on EDI and the Institute’s first Gender Pay Gap Report, as well as a focused session for the Board of Trustees on diversity and inclusion in data science and AI.

### Internal controls:
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 equality, diversity and inclusion, fixed assets and treasury management, among others. In addition to the policies, there have been other internal controls implemented, such as the business continuity plan and the international opportunity assessment framework, among others.
Areas of focus for 2023-24

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 2023-24 include:

- Appointing the new Chief Executive Officer of the Institute.
- Introducing the operational and transformation plan which will enable the delivery of the strategy, including operational Key Performance Indicators (KPIs), with regular monitoring reports for the Board.
- Delivering the outcomes from the review of the Constitutional Documents, including any related changes to corporate governance policies, procedures and guidance.
- Concluding the Quinquennal Review (QQR) and business case process for the provision of longer-term sustainable funding required to support delivery of the strategy.
The Trustees are responsible for preparing the Trustees' annual report and 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.
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.

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.

Douglas Gurr
Chair of the Board of Trustees
21 June 2023