
Section 2

Trustees' and strategic report

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

The Alan Turing Institute (the “**Charity**”) is a charity registered in England and Wales at the Charity Commission with charity number 1162533. It is a company incorporated in England with company number 09512457 limited by guarantee. The Charity is governed by its Articles of Association dated February 2024 (the “**Articles**”) and a Joint Venture Agreement with the Members dated February 2024 (the “**JVA**” and together with the Articles referred to herein as the “**Constitutional Documents**”).

Key management personnel

Directors/Trustees

The Directors of the Charity are registered at Companies House. The Directors are also the Trustees of the Charity for the purposes of charitable law and throughout this Report are collectively referred to as the “**Trustees**”.

The Trustees serving during the relevant year were as follows:

Dr Douglas Gurr (Chair)

Baroness Nicola Blackwood-Bate (retired 31 August 2023)

Professor Frank Kelly

Professor Richard Kenway

Professor Kerry Kirwan

Dr Vanessa Lawrence CB

Professor Thomas Melham

Carina Namih

Professor Geraint Rees (appointed 13 October 2023) replacing **Professor Patrick Wolfe** (retired 29 September 2023)

Hitesh Thakrar

Dr Neil Viner (retired 31 August 2023)

Executive Leadership Team

as at 31 March 2024

Dr Jean Innes

Chief Executive Officer

Jonathan Atkins

Chief Operating Officer

Professor Mark Girolami

Chief Scientist

Wayne Orr

Interim Director of Finance and Facilities

Clare Randall

Director of People

Emily Teller

Interim Director of Communications and Engagement

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
24 King William Street
London, EC4R 9AT

Structure, governance and management

Our legal structure

The Charity was founded in March 2015 as a registered charity and a company limited by guarantee. The Charity is governed by its Articles of Association that were adopted on incorporation on 26 March 2015 and updated on 08 February 2024, and a Joint Venture Agreement with the Founder Members signed on 31 March 2015 and updated on 08 February 2024.

The Constitutional Documents set out the governance of the Charity. The Members have some reserved matters while the Board's authority is broadly in line with that of the Companies Act.

Purpose of the Charity and main activities

As the national institute for data science and artificial intelligence, the charitable objects of the Charity, as set out in its Articles of Association, are:

"The Charitable Object of the Charity is the furtherance of education for the public benefit, particularly through research, knowledge exchange and public engagement, in the fields of data sciences."

The Charity has power to do anything which furthers its charitable objects.

The Charity is now working towards delivering its new strategy for the next five years. This involves the Charity, amongst other things, providing an end-to-end, interdisciplinary pathway in data science and AI that enables impact at scale and drives major progress against societal challenges. The following four actions have been identified as key to delivering the new strategy:

- **Becoming challenge-led:** transitioning 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.

- **Advancing foundational research:** supporting our challenge-led approach by maintaining and developing the foundations of world-class data science and AI research.
- **Targeting skills and talent gaps:** reinforcing our existing skills and training programmes and concentrating our efforts to fill gaps in the talent pipeline, encouraging the effective transfer of skills across academia, government and the third sector.
- **Providing expert advice:** giving trusted advice for the good of society, distilling high-profile, fast-moving and complex developments in data science and AI into research-backed recommendations. We will also enable the use of data science and AI to improve policy-making and the delivery of public services.

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 Charity's Members are the Engineering and Physical Sciences Research Council ("**EPSRC**") and the Universities of Cambridge, Edinburgh, Oxford, Warwick, and University College London ("**UCL**" and collectively the "**Members**"). The Charity along with the Members have entered into the JVA which establishes, along with the Articles, the basis on which the Charity operates.

The Charity has a wholly owned subsidiary, incorporated in England and registered at Companies House: Turing Innovations Limited, with company number 10015591 ("**TIL**" and together with the Charity referred to herein as "**Turing**"). TIL has a minority shareholding in Quair Limited, a private limited company with company number 12704209 incorporated in England and registered at Companies House.

Board composition and responsibilities

The Charity is governed by its Board of Trustees. The Board was established in accordance with the terms of the Constitutional Documents.

Under the Constitutional Documents, each Founder Member has the right to have one Trustee on the Board. While a Founder Member may nominate a shortlist of individuals subject to the skills requirements of the Board, the Board has the decision-making authority for such appointments.

The Board of Trustees may appoint additional Trustees to the Board who are not from the Founder Members ("**Independent Trustees**") through an open and transparent process ensuring the Independent Trustees maintain at least parity of number with the Founder Member-nominated Trustees on the Board.

With regard to decision-making on the Board, in case of deadlock, the Chair of the Board of Trustees, an Independent Trustee, has the casting vote.

The Board of Trustees may, by a supermajority 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 simple majority decision.

Organisational management and responsibilities of the Board

The Charity's Board of Trustees is responsible for setting the aims and strategic direction of the Charity, 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 away days with the Executive Leadership Team and the Senior Management Group and undertake further meetings as and when needed.

The Executive Leadership Team and the Senior Management Group provide Trustees with regular reports on the Charity's financial position, current activity, organisational news and significant issues affecting the Charity. The Directors of the subsidiary company also provide the Trustees with regular update reports following their Directors' meetings.

The Executive Leadership Team, led by the Chief Executive Officer ("**CEO**") and supported by the Senior Management Group, is responsible for the day-to-day management of the Turing's operations and activities. The Executive Leadership Team and the Senior Management Group are also responsible for implementing strategy and corporate policies and reporting on performance to the Board.

Committees of the Board

Three formal committees support the Board. Each committee has processes in place for managing any conflicts of interest that arise.

Audit and Risk Committee (“ARC”)

ARC is responsible for audit, finance and risk management, as well as reviewing the effectiveness of the Turing’s internal control framework and risk management process, and its compliance with reporting requirements. This also includes matters relating to data protection, cyber security, serious incident management, safeguarding, and health and safety, amongst other things. ARC 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:

Hitesh Thakrar
Chair

Professor Kerry Kirwan

Stephane Maikovsky
(Independent member/non-Trustee)

Nomination and Governance Committee (“NomCo”)

NomCo supports the Board in the recruitment of new Trustees, membership of the committees of the Board, as well as succession planning and reviewing the annual governance report against the Charity Governance Code.

Membership:

Dr Vanessa Lawrence CB
Chair

Professor Richard Kenway

Professor Thomas Melham

Remuneration, EDI and People Committee (“REPCo”)

REPCo advises the Board 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 Charity, the CEO and those senior staff reporting directly to the CEO. The criterion for setting pay is the market rate, taking into account industry standards.

REPCo also has oversight of equality, diversity and inclusion (“**EDI**”), which includes review and challenge of the EDI strategy and action plan.

Membership:

Carina Namih
Chair

Professor Frank Kelly

Professor Richard Kenway

Hitesh Thakrar

Advisory groups

Other advisory groups are set out below.

The Joint Venture Agreement, during the year and prior to the amendments made in February, included the following two advisory groups:

Research and Innovation Advisory Committee

This group advised the Institute Director and Chief Executive on strategic aspects of the Charity's research and innovation activities, including support with research and training programmes and reporting appropriately to the Charity's stakeholders. With the changes in the Charity's Joint Venture Agreement, this group has been stood down whilst we continue to review the appropriate advisory structures to support the delivery of the strategy. This remained under review by the Board of Trustees at the end of the financial year.

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 Charity's Board of Trustees and the Executive Leadership 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 in this financial year. This remained under review by the Board of Trustees at the end of the financial year.

Other advisory and liaison groups:

Strategic Partners Board

This group advises the Board of Trustees on the content and translation of research generated at the Charity and is intended to collaborate across the Charity and its partners to identify new opportunities.

Recruitment and appointment of Trustees

Up until the revisions to the Constitutional Documents in February 2024, NomCo aimed to undertake an open recruitment process, recommending new candidates for appointment when necessary and ensuring appropriate recruitment and succession plans were in place for Independent Trustees. Following the revision of the Constitutional Documents in February 2024, the remit of NomCo was extended to cover the recruitment of all Trustees, including recommending the appointments of successful Founder Member-nominated Trustees to the Board as further described above.

In October 2023, Professor Geraint Rees was appointed as the Founder Member-appointed Trustee for UCL, replacing Professor Patrick Wolfe who had reached the end of his tenure. This appointment followed the process set out in the old 2015 constitutional documents. No further Trustee appointments were made during 2023-24.

Upon appointment, each 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 Leadership Team and relevant members of the Senior Management Group and other Trustees. New Trustees are provided with a Trustee Information Pack which includes initial information about the Charity and its work, a copy of the previous year's Annual Report and accounts, a copy of the Charity's Articles of Association, a copy of the Joint Venture Agreement, information about their powers as Trustees of the Charity, key corporate policies and a copy of the Charity Commission's guidance – '*The essential trustee: what you need to know*'. This information is also accessible by the Trustees on the Turing's Board portal system, and new Trustees are offered an induction on the platform.

Financial review

The Charity and its subsidiary Turing Innovations Limited (together referred to as the “**Group**” in the consolidated financial statements) are funded through grants from Research Councils and from strategic and other partnerships.

Income of £45m (2022-23: £52.5m) has been received during the year of which £20.4m was received from Research Councils (2022-23: £31.2m), £11.4m from strategic research partners and other research partnerships (2022-23: £14.2m), £12.9m from other trading activities and investment income (2022-23: £6.9m), and £0.3m (2022-23: £0.2m) from donations.

Of the £20.4m received from Research Councils, £18.7m was awarded by EPSRC and includes £10m to cover core operating costs for the year 2023-24; £5m to develop AI and digital twins to address the biodiversity and climate crisis; and £3.5m to specific research programme activities including funding for the Turing-sponsored fellowships programme and prosperity partnerships.

The £12.9m of other trading income and investments comprises £10.3m of income generated by Turing Innovations Limited which

holds the defence and security commercial partnership; £1.3m of investment income; and a further £1.3m of other trading income.

Expenditure of £53m (2022-23: £47.3m) has been incurred in the year. Grants payable to partner institutions represent 25% of total expenditure (2022-23: 24%). Staff costs represent 55% (2022-23: 48%) of total expenditure, increasing from £22.6m in 2022-23 to £29.1m in 2023-24. The remaining 20% (2022-23: 28%) of expenditure covers support costs and other direct costs.

The Group made a deficit of £7.9m (2022-23: surplus of £5.2m). The adjacent table shows the breakdown of the deficit. £8.5m of the deficit was generated by net expenditure incurred on designated project activities, effectively spending income received by EPSRC and other funders from earlier years and utilising reserves set aside for designated purposes. During 2023-24, £5m was funded by designated grants receivable from EPSRC. 2023-24 saw a deficit on operation activities of £0.6m. The deficits were offset by a surplus of £0.2m from restricted partner fund activities and a £1m surplus from Turing Innovations Limited.

Year ended 31 March 2024

	General Fund	Designated Funds	Restricted Partner Funds	Charity	Turing Innovations Limited	Group
	£m	£m	£m	£m	£m	£m
Income	13.8	5.0	15.9	34.7	10.3	45.0
Expenditure	14.5	13.6	15.6	43.6	9.3	53.0
(Deficit)/surplus	(0.6)	(8.5)	0.24	(8.9)	0.98	(7.9)

Group net assets as at 31 March 2024 are £38.3m (2023: £46.3m).

Fixed assets increased by £1.2m to £2.7m. During the year, £0.5m was spent on computer equipment, £0.2m on fixtures and fittings/ leasehold improvement, and £1.2m on developing our new Enterprise Resource Planning (ERP) tool. The additions were offset by £0.7m of depreciation charges in the year.

Current assets: debtors are £15.1m (2023: £10.6m) and include trade debtors of £5.3m (2023: £4m) representing amounts due from our strategic and commercial partners; and prepayments and accrued income of £9.8m (2023: £6.6m), which includes £6.3m of accrued income from EPSRC. Cash and current asset investments were £34.6m (2023: £50.5m). The high levels are largely due to the upfront nature of cash receipts on many of the Charity’s

grant awards. Current asset investments include £5m held in an interest bearing 95-day notice account with Barclays, £19m held in UK Treasury Bills and £5m invested in a Certificate of Deposit.

Creditors: amounts falling due within one year are £14m (2023: £16.2m). Included in this figure are grant creditors of £6.6m which were £1.6m lower than last year, driven by the conclusion of the two Strategic Priorities Fund programmes (AI for Science and Government and Living with Machines). Accruals and deferred income were £4.4m which is £1.4m lower than last year, predominantly driven by a decrease in accrued project expenditure. Trade creditors and other creditors are £0.8m 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 Charity 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 Charity'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 Charity has adequate resources to continue in operational existence.

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

Fundraising

The Charity 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 Charity does not use third parties to assist with fundraising and the Charity 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 Charity places no income reliance on interest earned.

Grant-making policy

The Charity'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 Charity. These are as follows:

- The Charity will award grants that are in line with the charitable objects of the organisation.
- The Charity intends to assess grants biannually to ensure compliance with the terms of the grant.
- The Charity 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 Charity should have access to reserves appropriate to the scale, complexity and risk profile of the Charity.

To cover any shortfall in grants and to maintain the financial viability of the Charity, reserves are currently set at the equivalent of a minimum six months of anticipated operating costs, which amounts to approximately £8.2m as at 31 March 2024.

In August 2023 an award of £10m was made by EPSRC to cover core operating costs for the current financial year. The award includes funding to cover the annual rental costs for leasehold space occupied by the Charity in The British Library's St. Pancras building.

The Charity's unrestricted Fund as at 31 March 2024 was £26.5m (2023: £34.1m). This includes £5m (2023: £nil) of funding held to cover future years' financial commitments; and £1.1m (2023: £1.1m) of funding held to cover capital commitments contracted and capital commitments authorised but not contracted.

Included in general reserves are the following designated funds: £0.8m (2023: £1.2m) for the Charity's safe and ethical AI programme; £2.3m (2023: £nil) to support a pioneering

new initiative in digital twin research and innovation (TRIC-DT); £1.2m (2023: £nil) to fund a collaboration between the Charity and the Met Office; £0.8m (2023: £nil) funding for the Transformation and Strategic Goals Programme to enable the organisational change required to deliver Turing 2.0; and £5.5m (2023: £10.9m) Out of Budget/Cycle Funding whose purpose is to fund research project activities that will allow the Charity to progress its Turing 2.0 vision. This leaves £9.8m of free reserves (2023: £14.1m). The amount in excess of that called for in our reserves policy (as stated above) will be made available to support the Institute's charitable objectives.

As at 31 March 2024, the Charity holds £10.9m (2023: £10.2m) of restricted reserves.

Remuneration policy

The Charity is committed to ensuring a proper balance between paying staff (and others who work for the Charity) fairly to attract and retain the best people for the job with the careful financial management of the charitable funds. REPCo oversees the overall remuneration of staff and specifically that of the Chair, the CEO and those senior managers reporting directly to the CEO. REPCo is also responsible for overseeing general aspects of remuneration

within the Charity through oversight of appropriate policies and procedures in respect of salaries, emoluments and conditions of service.

Formal consideration of remuneration matters takes place annually, usually at REPCo's March and July meetings. 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, REPCo does not have full delegated authority to approve all matters relating to remuneration, and any recommendation or decision requiring such approval must be agreed by the Board.

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

Streamlined Energy and Carbon Reporting (SECR)

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

The energy use and associated greenhouse gas emissions reported in the adjacent table are for The British Library's St. Pancras building, in which the Charity occupies 2,305 square metres of space out of a building total of 128,125 square metres. 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 metre floor area is reported to reflect the energy efficiency of the building.

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

Energy	2024	2023	2022
Gas	4,891,068	5,091,507	5,257,272
Purchased electricity	14,244,940	14,729,298	13,070,918
Total energy	19,136,008	19,820,805	18,328,190

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

Emission source	2024	2023	2022
Scope 1			
Gas	894.7	929.4	962.9
Scope 2:			
Purchased electricity	2,949.8	2,848.4	2,775.4
Total gross emissions	3,844.48	3,777.75	3,738.3

Intensity ratio

Tonnes of CO ₂ e per square metre floor area	2024	2023	2022
	0.030	0.029	0.029

Reasonable adjustments policy

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

Risk management

Significant risks to which the Turing is exposed are reported formally to the Audit and Risk Committee and the Boards of both the Charity and TIL via the Turing's corporate risk register.

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

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 seeks to ensure that the risks are mitigated, as far as is reasonably possible, by actions taken by the Executive Leadership Team and the Senior Management Group.

The main risks faced by the Turing 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 here.

Risk description

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

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

UK AI landscape increasing in complexity.

Transition risk – potential for loss of talent (including staff/researchers) limiting the ability to deliver the strategy.

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

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

Risk mitigation

The risk to the long-term funding sustainability of the Turing has been significantly mitigated for the mid-term with the successful conclusion of the quinquennial review (QQR) and the investment of £100m over five years for the Charity.

Prudent financial management of the Turing continues to be a key risk mitigation, enabling it to react to changes in external funding in a controlled manner.

Continued to provide the necessary control environment during the year with policies, procedures and guidance documents in place to support the business.

The vision of the Charity is clear with the focus on delivering against the priorities identified in the strategy.

During 2023-24 the Turing has been transitioning to the strategy of delivering against the grand challenge areas.

This requires a period of change which can often impact on the retention and wellbeing of staff. Support is being provided to staff in terms of regular communications, staff surveys and regular signposting to support services.

Robust security processes in place, both physical and virtual.
Horizon scanning and maintaining awareness of risks from external actors.

Strengthened and adequately resourced ethics and research integrity review processes are in place, including the first full year of the research ethics process which is now operational across the business.

Horizon scanning and maintaining awareness of risks from external actors.

Section 172 Statement

The Board of Trustees is aware of its duty under s.172 of the Companies Act 2006 to act in the way which it considers, in good faith, would be most likely to promote the success of the Charity 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 Charity 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

Board considerations

All Board decisions are made to further the success of the Charity for the long-term benefit of its members and stakeholders.

Annual report and accounts

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 Turing's website.

Founder Member approvals

During the year, the Members were asked to approve certain matters which were reserved to them under the Constitutional Documents. This includes the approval of changes to the Constitutional Documents, which were approved by the Members and implemented in February 2024.

2. Colleagues

Board considerations	The Trustees receive regular qualitative and quantitative updates on employee matters from the Director of People, 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.
Equality, diversity and inclusion (EDI)	<p>The Turing recognises that promoting and embedding EDI in our function as employer, research institute and national body is integral to achieving our mission. Examples of outputs during the year include:</p> <ul style="list-style-type: none">- Turing Advance programme: internal learning and development programme to support progression of those from underrepresented groups.- Support for the Turing's four EDI Network Groups.
Employee remuneration and recruitment	The Remuneration, EDI and People Committee agreed to implement a cost of living increase for all employees of 3%, to be effective from 1 April 2024.

3. Customers and suppliers

Board considerations	<p>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).</p> <p>The Trustees remain committed to effective engagement of all stakeholders and are mindful that the Turing's success depends on its ability to engage effectively, work together constructively and to take stakeholder views into account when taking decisions.</p>
Trusted research status with national and international convening power	<p>The Turing is unique in having the capability to convene the data science community both nationally and internationally. Examples from the year include:</p> <ul style="list-style-type: none">- Launch of the Global AI Ethics and Governance Observatory in association with UNESCO.- Launch of expanded Turing University Network.
Training and skills development	<p>The Turing has continued to improve its training and skills development opportunities. An example from the year:</p> <ul style="list-style-type: none">- BridgeAI programme funded by Innovate UK: the Turing provides independent scientific advice to companies in the transport, construction, agriculture and creative industry sectors who are encountering challenges associated with AI adoption. This includes the delivery of online training tools, advice and bespoke training targeted to the needs of BridgeAI participating organisations.
Advising the public sector	<p>The Turing has provided guidance and overseen many research projects dedicated to using data science and AI to inform policy-making and improve public services, as well as building ethical foundations for the use of these technologies in the public sector. An example from the year:</p> <ul style="list-style-type: none">- DemoLand: developing machine learning-based models for urban land management that predict the impacts of large-scale planning and land use changes on the population.

3. Customers and suppliers (continued)

**London Universities
Purchasing Consortium
(LUPC)**

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

**Stakeholder liaison
meetings**

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

- Strategic Partner Board meetings.
- Regular meetings with UKRI/EPSRC.
- Regular engagement with universities.
- Hosting the fourth annual AI UK showcase.
- Regular liaison with the member representatives including agreeing the changes to the Charity's Constitutional Documents.

4. Community and environment

Board considerations	The Trustees fully appreciate the impact the Turing 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.
Supporting a trusted public conversation	The Turing's Communications and Engagement programme is a contribution to an informed and trusted conversation on data science and AI, an example being the fourth annual AI UK event, hosted by the Turing in March 2024.
Community collaboration	<p>One of the Turing'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.</p> <p>An example is the Turing interest groups (TIGs), in which researchers with mutual interests meet with the aim of sharing knowledge and sparking innovative ideas for future collaborations. There are now 43 TIGs with over 7,000 members (18% of which are internationally based).</p>
Equality, diversity and inclusion (EDI)	An example from the year for EDI was the Turing Summer Experience programme which was launched in partnership with our defence and security partners and supported 87 young people, predominantly from lower socio-economic backgrounds, to participate in a week-long immersive data science week.
Links to industry	<p>The Turing 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 Singapore's DSO National Laboratories – which are aligned to the Turing's research programmes.</p> <p>There are typically around 50 partnerships running from the Charity at any one time, including strategic partnerships and collaborative research project partnerships.</p>
Ethical and safe use of digital technology	The Turing continues to make a key contribution through leading the national and global conversation on the ethical, fair and safe use of digital technologies. During the year, this has included as an example the launch of the Global AI Ethics and Governance Observatory in association with UNESCO.

5. Principal decisions

Principal decisions are those which are material to the Charity 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.

Principal decision 1: Revised Constitutional Documents (Joint Venture Agreement and Articles of Association)

During the year, the Board of Trustees reviewed and recommended for Member approval updates to the Joint Venture Agreement and Articles of Association, which was a key enabler for the Turing's strategy. These changes to the Constitutional Documents were approved by the Founder Members and adopted in February 2024.

Principal decision 2: Appointment of Chief Executive Officer

The Board of Trustees appointed Dr Jean Innes as the new Chief Executive Officer of the Charity in June 2023. Dr Jean Innes replaced Sir Adrian Smith, who stood down as Institute Director earlier in 2023.

Principal decision 3: Quinquennial review (QQR) and confirmation of five-year funding stream

During the year, the Board of Trustees and the Executive Leadership Team and Senior Management Group engaged in the QQR process undertaken by an independently appointed panel on behalf of EPSRC. The outcome of this review was the confirmation of the £100m funding over five years.

Principal decision 4: AI for science and government programme

The Board agreed the need to publicise the outcomes from the five-year AI for science and government programme, which was run in partnership with EPSRC and 200 partners and closed in 2023. This took place with an expert panel event at the House of Lords hosted by former Trustee Baroness Nicola Blackwood-Bate on 21 February 2024, which included discussions on how the government can use revolutionary AI technologies to improve decision-making and policy development to address some of society's greatest challenges.

Principal decision 5: Implemented changes to the Charity's scientific leadership to deliver the grand challenges in the strategy

The Board, through the delegated authority to the Chief Executive Officer, oversaw the appointment of four new Directors of Science and Innovation to lead the development and delivery of the grand challenge areas, which are central to the Turing's strategy.

Charity Governance Code (the “Code”)

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

The internal review of governance for 2023-24, which considered current practice, concluded that there had been improvements made during the year through the areas identified in the previous year’s review. These included the following relevant areas of particular focus for this year:

Introducing the operational and transformation plan to enable the delivery of Turing 2.0

The transformation plan has been developed during the year and is now in the process of being delivered.

Delivering the outcomes from the review of the Constitutional Documents

The Constitutional Documents have been reviewed and updated, with the changes adopted in February 2024. Impacts to policies and procedures are being worked through and updated and form part of the deliverables for 2024-25.

Concluding the quinquennial review (QQR) process for the provision of longer-term sustainable funding required to support delivery of Turing 2.0

Announced as part of the 2024 Spring Budget statement was a £100m investment over five years from EPSRC in the Turing to support delivery of the strategy. This was underpinned by the QQR conducted by an independent panel of experts on behalf of EPSRC. The review advised on how to strengthen delivery of the strategy and help to shape the role of the Turing in the future direction of the rapidly evolving AI ecosystem.

Equality, diversity and inclusion (EDI)

The Turing 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 Executive Leadership Team, with the Remuneration, EDI and People Committee providing oversight and holding the Turing 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 annual report on EDI and the Charity's gender pay gap report. In 2024-25 the EDI action plan will reach the end of its current three-year timeframe which will result in the need for a refreshed EDI strategy and action plan during the year. This is addressed as an area of focus for 2024-25.

Areas of focus for 2024-25

Having undertaken the annual review of the Charity's governance, 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 2024-25 include:

- Reviewing and refreshing Board and committee membership due to alignment with requirements of the revised Constitutional Documents and good governance practice.
- Reviewing and updating corporate policies to align with updates to the Constitutional Documents.
- Reviewing and updating the EDI strategy and action plan.
- Re-tendering the external audit services.

Trustees' responsibilities statement

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 Charity 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 Charity's transactions, disclose with reasonable accuracy at any time the financial position of the Charity 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 Charity 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 Charity's website.

Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

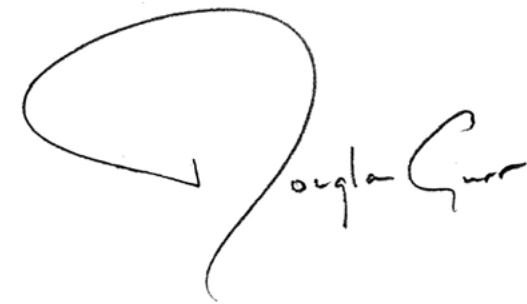
Disclosure of information to the auditor

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 Charity'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 Charity's auditor is aware of that information.

Signatory

The Trustees' annual report is approved by the Trustees of the Charity. The strategic report, which forms part of the annual report, is approved by the Trustees in their capacity as directors in company law of the Charity.

A handwritten signature in black ink, appearing to read 'Douglas Gurr'. The signature is written in a cursive style with a large initial 'D'.

Dr Douglas Gurr
Chair of the Board of Trustees
25 July 2024