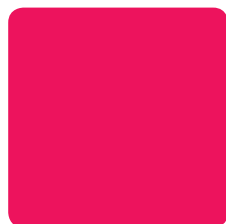
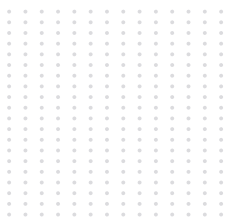
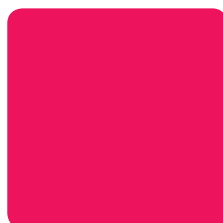
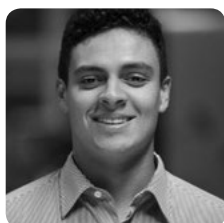
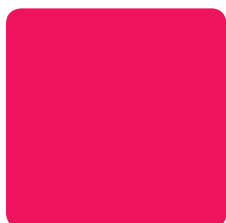


# Annual Report and Financial Statements

Financial Year 2017/2018



**NEFers featured on the cover - from the top, and left to right:**

Greg Drach (Class of 2014)

Yang Liu (Class of 2018)

Sharief Abdel-Hadi (Class of 2018)

Caitlin Robbins (Class of 2018)

Kike Oniwinde (Class of 2018)

Guy Riese (Class of 2016)

Oyinda Bamgbose (Class of 2017)

Mariota Spens (Class of 2018)

Sam Taylor (Class of 2018)

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# MESSAGE FROM OUR CHAIRMAN AND CHIEF EXECUTIVE



## A message from our Chairman

**The New Entrepreneurs Foundation was born out of the financial crisis of 2008, when it became clear that Britain would need to reshape its economy to succeed in a rapidly-changing, highly-competitive global marketplace. This would require the development and support of entrepreneurial leaders, with the ambition and drive to build major new businesses that would create the jobs and prosperity of the future. I looked around to see what support was available for young aspiring entrepreneurs and found the UK to be somewhat lacking.**

With this in mind, in early 2010, with the help of some wonderful people, I started NEF. Looking back, I would have found it hard to imagine what NEF would look like today. The New Entrepreneurs Foundation has just seen its seventh cohort graduate, and I am delighted to report that it has been another challenging but successful year for us.

The first willing group of 30 young 'pioneers' started in 2011, to test the concept of working alongside successful entrepreneurs in a full year work placement to develop their skills and fuel their ambition. In addition, they were given a 25-day learning programme to develop practical skills in all aspects of business, and a series of networking events and talks to meet and hear from successful entrepreneurs. In the intervening years, nearly 250 people have completed the programme, with a large number of participants going on to launch businesses.

Our alumni have launched over 150 business, with 110 that are live today; they have raised over £56m in early-stage funding and have created over 1,500 jobs. The results of the longitudinal impact study are shown in detail in Section 3 of this report.

Early last year, the trustees and I decided that the time was right for NEF to look at expanding into entrepreneurship research and specifically to address

some of the wider issues that are holding back the take-up of entrepreneurship in the UK. We expanded our Charity's objects to enable us to do so.

In early September, we were delighted to announce that with significant financial backing from the international investment firm, LetterOne, we were able to transfer the activities of The Centre for Entrepreneurs to NEF. This brought together two complementary and highly respected organisations with a mutual interest in the role and impact of entrepreneurs in the UK.

The expanded organisation remains a not-for-profit and a charity. We retain the name of the New Entrepreneurs Foundation but added 'Home of the Centre for Entrepreneurs' to our branding. We are very grateful to the board of LetterOne for their tremendous support.

This coming together creates an independent entrepreneurial powerhouse - the first of its type in the UK. Drawing inspiration from the hugely successful Kauffman Foundation in the USA, the organisation will seek to address many of the challenges that hold back the wider take-up of entrepreneurship in the UK, by influencing entrepreneurial strategy, developing entrepreneurial skills in individuals and making targeted, entrepreneur-led interventions in under-served communities.

Moving forward, we will engage with other organisations to research and formulate ideas for entrepreneurial skills development in an ever-changing world, and look to develop entrepreneurship programmes for wider groups and communities.

Britain has seen great success in building a community of highly entrepreneurial business founders in the past decade. It requires an organisation to lead and drive that support even further. This is an important mantle, and one which the New Entrepreneurs Foundation and the Centre for Entrepreneurs can and will take up.

I would like to thank my fellow trustees for their support. Also, Neeta for her leadership of NEF over the past seven years, the NEF staff who have contributed so much to this success, and all our coaches, mentors and supporters.

Finally, thank you to our corporate and individual donors who have enabled us to continue running the organisation for so long. Your support is much appreciated.

A handwritten signature in black ink, reading 'Oliver'.

**Oliver Pawle**  
Chairman



## A message from our Chief Executive

**This year has been another milestone at NEF. We joined forces with the Centre for Entrepreneurs and moved to our first dedicated office space in Shoreditch, our seventh cohort completed the NEF programme, and we held our first Demo Day in January.**

We continue to widen our recruitment net to encourage candidates from all backgrounds to consider entrepreneurship as a viable career. The NEF class of 2017/18, which was our largest cohort to date, comprised 46 candidates who were placed in a cross-section of fast-growing, entrepreneurial host companies. Encouragingly, a growing number of the cohort (15%) were placed in businesses that had been founded by NEF alumni. We think this is a positive outcome of the programme and shows the health of the ecosystem we are building.

We further developed the learning programme and introduced new workshops, peer-to-peer learning, better collaboration for milestone checking, and a new mentoring initiative which connects each candidate with a primary mentor with support from specialist mentors.

In research, CFE published its fourth annual Business Startup Index, which is widely cited in the media and in third-party research, and Starting afresh: How entrepreneurship is transforming the lives of resettled refugees, which details the appetite and propensity for entrepreneurship among refugees in the UK. The CFE team is now working with the Department for Business, Energy and Industrial Strategy, the Home Office, The Entrepreneurial Refugee Network, Social Finance and others to implement the report's recommendations.

Our packed schedule of events brought together a wide range of participants within the UK's entrepreneurial ecosystem. We continued our speaker series with high profile entrepreneurs who came to share their stories and inspire our community.

The three pitch days for the NEF 2017/18 cohort included 30 pitches to panels of judges. More than 350 people attended our annual Demo Day to meet the NEF ventures and hear pitches from a dozen founders.

CFE hosted the inaugural conference for the Incubator and Accelerator Network. This is a growing community of individuals overseeing, managing or working in business incubation programmes across the UK. We expect this community to grow in the next few years and become a powerful group that will help steer the incubator and accelerator space in the UK.

Our fourth independent impact study, which complements our internal impact measures was conducted by Kate Beresford and Dr Jane Garnett earlier in the year. The study shows strong evidence that the NEF programme has brought about a clear shift in readiness to start a business amongst participants. We are delighted to see this acceleration in confidence which has been reflected in the proportion of

the Class of 2018 who have actually launched businesses (60%).

With nearly 250 alumni of the programme, the NEF alumni council ran a series of events to keep alumni connected with each other. They introduced and ran evening seminars on topics of interest, arranged informal meetups, helped us with recruitment and arranged the third annual alumni dinner. I am grateful to the alumni council for their time, energy and engagement with us.

We have had various staff changes over the year – we said farewell to Felix Schuchter who left to start an MBA in Madrid and we welcomed Ishita Ranjan to his vacated role on a contract basis. We also welcomed Matt Smith and the CFE team, and said our third farewell to Florence Luthman, who had come back to help us through recruitment!

I would like to thank Oliver and the trustees for their energy and unstinting support, and also to the NEF and CFE teams for all their hard work.

**Neeta Patel**  
CEO

## 1.0 LEGAL AND ADMINISTRATIVE INFORMATION

Trustees:

Oliver Pawle (Chairman)  
Deirdre Sterling (Secretary)  
Andrew Joy  
Joseph Hubback  
Chris Wigley  
Andy Phillipps

Registered office:

WeWork  
1 Mark Square  
London  
EC2A 4EG

Company secretary:

Deirdre Sterling

Chief executive officer:

Neeta Patel

Company registration number:

07469562

Charity registration number:

1140102

Bankers:

Barclays Bank  
27 Regent Street  
London  
SW1Y 4NQ

Solicitors:

Harbottle & Lewis  
Hanover House  
14 Hanover Square  
London  
W1S 1HP

Auditor:

Buzzacott LLP  
130 Wood Street  
London  
EC2V 6DL

## DONORS AND SUPPORTERS

Our achievements have been possible thanks to the generous and continued support of our donors. We are very grateful to all our corporate and individual donors, below, for supporting us wholeheartedly in our endeavours.

### CORNERSTONE DONOR

# LETTERONE

### PREMIUM CORPORATE DONORS



### CORPORATE DONORS



### FELLOWSHIP DONORS

**Andrew Joy**, Senior Advisor, Stonehage Fleming, **David Gregson**, Chairman, The Lawn Tennis Association and The Karma Group, **David Pearl**, David Pearlman Foundation, **David Tibble**, Executive Chairman, Mercator, **Gerald Ronson**, Gerald Ronson Foundation, **Ian Armitage**, Co-Founder, Isfield Investments Llp, **Jean-Baptiste Wautier**, Managing Partner, BC Partners, **Jon Moulton**, Founder and Partner, Better Capital, **Lloyd Dorfman**, Founder and Chairman, Travelex, **Lord Davies of Abersoch**, Chairman, Corsair Capital, **Lord Lupton**, Chairman, Greenhill, **Mark Pritchard**, Founder, Allied Minds, **Oliver Pawle**, Chair, Board Practice, Korn Ferry, **Rajal Patni & Rohit Patni**, Founders, Lavanya Plus Ltd., **Mike Rees**, **Sir Keith Mills**, Ex-Deputy Chairman, LOCOG, **Sir Theodore Agnew DL**, Chairman and Sponsor, Inspiration Academy Trust, and Lead Non-Executive, Ministry of Justice, **The Hon. Charles Wigoder**, Executive Chairman, Utility Warehouse, **The Rayne Foundation**.

## GIFTS IN KIND

Buzzacott



Deloitte.



Harbottle & Lewis



SULLIVAN & CROMWELL LLP



wework

## NEF ALUMNI DONORS

Alex Somervell (2016) – equity donation in One Third Stories

Corbyn Munnik (2013) – equity donation in AdCash Ltd.

Guy Riese (2015)

## SUPPORTERS

We are also grateful to the many partner organisations and individuals who support us in our work each year. We are particularly grateful for the continued support of our coaches, mentors and learning providers who provide so much help and advice to our cohorts.



Coaching for  
Leaders  
Think • Inspire • Deliver



**HUCKLETREE**



LEXOO





## 2.0 TRUSTEES REPORT

The Trustees present their statutory report together with the financial statements of the New Entrepreneurs Foundation for the year ended 31st March 2018.

The report has been prepared in accordance with Part 8 of the Charities Act 2011 and constitutes a directors' report for the purpose of company legislation. In preparing this report, the Trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

The financial statements have been prepared in accordance with the accounting policies set out on pages 43 to 44 therein and comply with the charitable company's memorandum and articles of association, the Charities Act 2011 and Accounting and Reporting by Charities; Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), effective from accounting periods commencing 1 January 2015 or later.

### 2.1. PRINCIPAL AIMS AND OBJECTIVES

The original aim of the New Entrepreneurs Foundation was to develop the entrepreneurial leaders of the future who would go on to build high-growth, sustainable businesses, which would contribute positively to the UK economy by creating jobs and employment.

Over the course of the last year, the Trustees extended the aims of the foundation and broadened the activities of the organisation to include research into entrepreneurship where it might help under served communities and developing communities of interest by bringing together companies, public bodies, philanthropists and delivery agencies to implement the recommendations from the research. The Charity Commission approved the extended objects in August 2017.

### 2.2. STRUCTURE, GOVERNANCE AND MANAGEMENT

#### STRUCTURE

The Governance of the Foundation is overseen by a Board of Trustees (named in the Table below). Oliver Pawle is Chairman of the Board of Trustees and Deirdre Stirling is Secretary to the Board.

New Trustees are invited onto the Board by the Chairman and Trustees, on recommendation from business contacts, and are generally individuals who bring specific high-level contacts and skills to complement, support and advise the CEO and Trustees. New Trustees who may be first-time Trustees are offered a place on Trustee training courses run by independent organisations.

TRUSTEE	APPOINTED
Oliver Pawle	14 <sup>th</sup> December 2010
Deirdre Stirling	22 <sup>nd</sup> July 2011
Andrew Joy	21 <sup>st</sup> June 2013
Joseph Hubback	27 <sup>th</sup> November 2014
Chris Wigley	24 <sup>th</sup> March 2016
Andy Phillipps	27 <sup>th</sup> November 2017

*Elisabeth Scott resigned from the Board in September 2017*

#### GOVERNANCE

The charitable company, which is governed by a Memorandum and Articles of Association, was incorporated as a company limited by guarantee on 14 December 2010 and registered as a charity on 28 January 2011.

The charity's objects were amended in September 2017, following which the activities, staff and projects of the Centre for Entrepreneurs were transferred to NEF to enable us to deliver on our wider objects. The revised objects reflect the wider scope of activities undertaken by the enlarged organisation.

#### The charity's new objects are:

- (1) The advancement of education in business and entrepreneurship for the public benefit, including by:
  - (a) the teaching of business and entrepreneurship skills through seminars, lectures, training courses;
  - (b) the funding of and the provision for young people to undertake business internships; and
  - (c) funding and undertaking study and research in business and entrepreneurship, provided that the useful results of such study are disseminated to the public at large;
- (2) The relief of unemployment for the benefit of the public in such ways as may be thought fit, including:
  - (a) the provision of education, training or retraining, particularly among unemployed people, and providing unemployed people with business training; and
  - (b) bringing together commercial partners, local and national government and philanthropic and charitable organisations to provide financial assistance, technical assistance or business advice or consultancy in order to provide training and employment opportunities for unemployed people in cases of hardship or other financial need through help in setting up their own business; and
  - (c) to promote and support the rehabilitation of individuals who are or have previously been prisoners by the promotion and provision of business education and training in prisons and for individuals who have just been released from prison.

In the financial period 2017/18, Trustees met six times in formal Board meetings to oversee progress and guide future direction of the Foundation. The CEO reports to the Chairman and the Board of Trustees.

## KEY MANAGEMENT

Following the integration of the Centre for Entrepreneurs, the Foundation had a total of eight full-time employees. The key management team comprises: Neeta Patel, CEO, who is responsible for developing (jointly with the Trustees), the longer-term strategic direction and for overall leadership of the Foundation; supported by Richard Cull Thomas, Chief Operations Officer, Matt Smith, Director CFE, Felix Schuchter, Programme Director Talent, Marketing and Communities (who left NEF August 2017) and Veronique Rapetti, Programme Director Learning and Partnerships. The remaining four members of staff support operations, research activities and communities development work. Over the course of the year, we worked with a number of external people on contract to deliver projects and to help us specific areas such as fund-raising, PR, social media and candidate recruitment and placements.

The Trustees consider that they, together with the CEO, COO, Programme Director Talent, Marketing & Communities, Programme Director Learning and Partnerships and Director Centre for Entrepreneurs comprise the key management of the charity in charge of directing, controlling, running and operating the charity on a day-to-day basis.

The Trustees receive no remuneration for their services as Trustees. The pay of the key management personnel is reviewed annually by the Board of Trustees and in 2017/8 was based on Agenda Consulting's benchmarking comparisons with other similar organisations. The benchmarking survey uses the Croner Rewards Annual salary survey and the Xpert HR survey for compensation in the UK, which covers 252 UK charities.

### Statement of Trustees' Responsibilities

The Trustees (who are also directors of the New Entrepreneurs Foundation for the purposes of company law) are responsible for preparing the Trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the income and expenditure of the charitable company for that period.

In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in Account and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102);
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on a going-concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The foundation does not fundraise directly with the general public and therefore is not registered with the Fundraising Regulator. When donations from individuals are received the foundation aims to protect personal data and never sells data or swaps data with other organisations. The charity manages its own fundraising activities. The foundation undertakes to react to and investigate any complaints regarding its fundraising activities and to learn from them and improve its service. During 2018, the foundation received no complaints about its fundraising activities.

### Each of the Trustees confirms that:

- So far as the Trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- Each Trustee has taken all the steps that he/she ought to have taken as a Trustee in order to make himself/herself aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.



## 2.3. INTRODUCTION

**The original aim of the New Entrepreneurs Foundation was to develop the entrepreneurial leaders of the future who would go on to build high-growth, sustainable businesses, which would contribute positively to the UK economy by creating jobs and employment.**

In September last year, the entrepreneurial think tank the Centre for Entrepreneurs (CFE) joined the New Entrepreneurs Foundation. This brought together two complementary and highly respected organisations with a mutual interest in the role and impact of entrepreneurs in the UK. The expanded organisation remains a not-for-profit and a charity. We retain the name of the New Entrepreneurs Foundation but added 'Home of the Centre for Entrepreneurs' to our branding.

This coming together creates an independent entrepreneurial powerhouse - the first of its type in the UK. Drawing inspiration from the hugely successful Kauffman Foundation in the USA, the organisation will seek to address many of the challenges that hold back the wider take-up of entrepreneurship in the UK by influencing entrepreneurial strategy, developing entrepreneurial skills in individuals and making targeted, entrepreneur-led interventions in under-served communities.

This will be achieved by: training the next generation of UK's entrepreneurial leaders to realise their potential, start businesses, create jobs and prosperity; delivering original research to identify gaps in current provision; bringing together organisations to devise programmes to address these gaps, and providing input into UK policy on entrepreneur support. The Charity Commission approved the extended objects in August 2017.

As the report sets out below, this is a strong platform upon which to build these activities.

The NEF had a successful seventh full year of operations. Seven cohorts have now completed the fast-track entrepreneur development programme. As this year's impact report demonstrates, there is strong evidence that the NEF programme has brought about a clear shift in readiness to start a business. As of March 2018, our alumni have launched 110 ventures that are currently live. These companies have created over 1,500 new jobs (full-time and part-time) and collectively have raised over £56M in early-stage seed funding for their ventures.

The NEF class of 2017/18 comprised 46 candidates who were placed in a cross-section of fast growing, entrepreneurial host companies. Encouragingly, a growing number of the cohort (15%) were placed in businesses that had been founded by NEF alumni. This underlines the health of the NEF programme. The learning programme continues to adapt in order to remain at the cutting edge of entrepreneurial education.

In research, the CFE published its fourth annual Business Start-up Index, which was widely cited in the media and in third-party research, and Starting afresh: How entrepreneurship is transforming the lives of resettled refugees, which details the appetite and propensity for entrepreneurship among refugees in the UK. CFE is working with the Department for Business, Energy and Industrial Strategy, the Home Office, The Entrepreneurial Refugee Network, Social Finance and others to implement the report's recommendations.

Numerous events have brought together a wide range of participants within the UK's entrepreneurial ecosystem. The three pitch days for the NEF 2017/18 cohort included 30 presentations to more than 30 judges. More than 350 people attended annual NEF Demo Day in January, learning about exhibitors from 45 NEF ventures and hearing pitches from 12 Founders.

CFE hosted the inaugural conference for the Incubator and Accelerator Network. This is a growing community of individuals overseeing, managing or working in business incubation programmes across the UK.

## 2.4. OBJECTIVES AND ACTIVITIES

### OBJECTIVES

Following the amendment of the charity's objects and the transfer of the projects of the Centre for Entrepreneurs into the charity, our objectives and activities have broadened to encompass entrepreneur development programmes, entrepreneurship research, community development and input into government policy on entrepreneurship and business start-ups.

The objectives and activities of our flagship NEF programme remain the same: to provide bright, young, aspiring entrepreneurs with hands-on work experience together with a formal learning and development programme in start-up skills.

The work of the Centre for Entrepreneurs has also continued with the publication of a number of important research reports on entrepreneurship, the launch of two new networks and a number of events and consultations with MPs and policy makers.

### MAIN ACTIVITIES

#### NEF Programme

Our fast-track entrepreneur development programme comprises five main activities:

- Selecting up to 50 aspiring young entrepreneurs and placing them in fast growing companies on a one-year paid placement to get hands-on experience in managing a growing company.
- Delivering a formal, workshop-based learning and development programme which encompasses the key tools and skills required to launch and manage new businesses.
- Providing business mentoring from established entrepreneurs and business leaders, and providing one-to-one coaching support from qualified executive coaches.
- Enabling access to networks of investors and advisers through our regular speaker events with business leaders, established entrepreneurs and rising star entrepreneurs.
- Encouraging our participants to engage in outreach activities in their schools, communities and with other charities.

#### Centre for Entrepreneurs

The Centre for Entrepreneurs acts primarily as a think tank. Its research team conducts and disseminates original research on the state of entrepreneurship, and how to unlock the entrepreneurial potential in overlooked communities. It aims to publish two to four research publications each year.

The Centre also builds communities – advocacy and best-practice networks that increase the quality and quantity of support available for entrepreneurs. These currently include the Incubator and Accelerator Network, the Prison Entrepreneurship Network and the newly-launched Refugee Entrepreneurship Network.

The team also engages with policy makers and influencers through ministerial advisory board meetings, high-level events and responses to government and parliamentary consultations.

### PUBLIC BENEFIT

When setting the new objectives and planning the work of the Foundation, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit, and where relevant, its supplementary guidance.

## 2.5. ACHIEVEMENTS AND PERFORMANCE

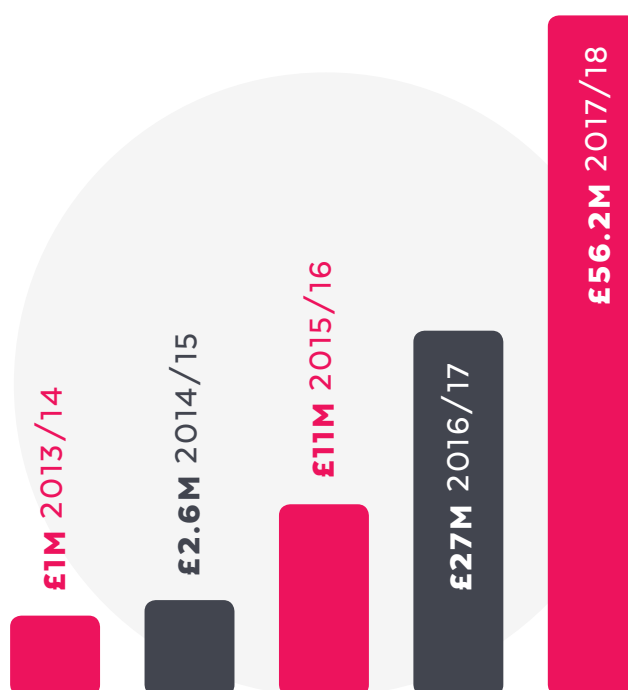
### NEF ACHIEVEMENTS

The year 2017/18 was NEF's seventh full year of operation. A total of seven cohorts (239 candidates) have completed the programme – their key achievements are shown below.

We reported in 2016/17 that NEF Alumni had launched 92 live ventures, had raised £27 million in seed funding and had created over 1,000 jobs (full and part-time). The larger Alumni group has made significant progress since last year's report – as of July 2017:

- Alumni have launched **110 ventures** that are currently live.
- These companies have created over **1,500 new jobs** (full-time and part-time).
- Collectively they have raised over **£56M** in early stage seed funding for their ventures.

Since we began tracking early-stage funding raised as one of the key outcomes of the programme in 2013/14, the growth in cumulative funding raised has accelerated in each subsequent year. This is a reflection of both the increasing number of ventures (as the alumni group grows) and maturing ventures that are moving into later-stage funding cycles, raising larger funding rounds.



Cumulative early-stage funding raised, by year, 2013/14 through 2017/18



*The NEF Class of 2018 on their graduation day (June 2018), with NEF Trustee Dee Stirling (far right) and Executive Team*

## CFE ACHIEVEMENTS

In January 2018, the Centre published its fourth annual 'Business start-up index', a unique analysis of Companies House data that maps the number of new businesses formed across the UK. The Centre found a total of 589,008 companies were launched in 2017, compared to 657,790 in 2016. Through detailed analysis, CFE was able to suggest the fall in formations was mostly a result of the government's clampdown on 'disguised employment' in the public sector. This figure has been widely cited in UK media and third-party research.

In March 2018, the Centre published a report calling on the UK to empower refugees through entrepreneurship. 'Starting afresh: How entrepreneurship is transforming the lives of resettled refugees', details the appetite and propensity for entrepreneurship among refugees. The Centre calculated that rolling out tailored incubation programmes across the UK could save up to £170m (of a forecast £1.7bn) in refugee welfare payments over the next five years.

The Centre is now working with the Department for Business, Energy and Industrial Strategy, the Home Office, The Entrepreneurial Refugee Network, Social Finance and others to implement the report's recommendations.

In February 2018, CFE hosted the inaugural conference for the Incubator and Accelerator Network. This is a growing

community of individuals overseeing, managing or working in business incubation programmes across the UK. Members include ideaSpace (University of Cambridge), Imperial White City Incubator (Imperial College London), InnovateRCA (Royal College of Art) and SETsquared (University of Bristol and University of Exeter).

At the conference, incubator managers from across the UK heard from chief secretary to the Treasury Liz Truss, Founders Factory co-founder Brent Hoberman, Blackstone LaunchPad director Alisha Slye and a variety of entrepreneurs and investors. The attendees also ran best-practice workshops to share their experiences.

The Centre also convened the Prison Entrepreneurship Network for a quarterly meeting. This is an emerging community of enterprise agencies that are running practical, hands-on business start-up programmes inside prisons. The members reviewed a draft report evaluating CFE's prison entrepreneurship pilot that ran February to July 2017 at HMP Ranby, and shared experiences of securing and delivering prison entrepreneurship programmes.

CFE also launched the Refugee Entrepreneurship Network following the launch of its report on the same topic. While this is very early-stage, the network will work with government, business and philanthropists to roll out tailored refugee entrepreneurship support across the UK.



## 2.6. PROFILES OF THE NEF CLASS OF 2018

### RECRUITMENT OF THE CLASS OF 2018

For the Class of 2018, NEF received **457** applications. We selected **58** candidates and **46** started on the programme in September 2017, graduating in June 2018.

### CANDIDATE PROFILES

Of the **46** candidates who started on the programme in September 2017, **19** were female and **27** male. They came from diverse backgrounds and educational experience, and spanned a 10-year age range (ages 21-31).

#### Gender:

The female/male ratio for the Class of 2018 was 41/59, an improvement on last year's ratio of 32/68.

#### School type:

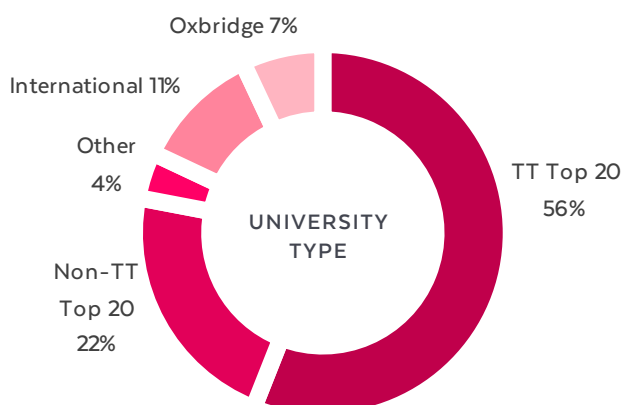
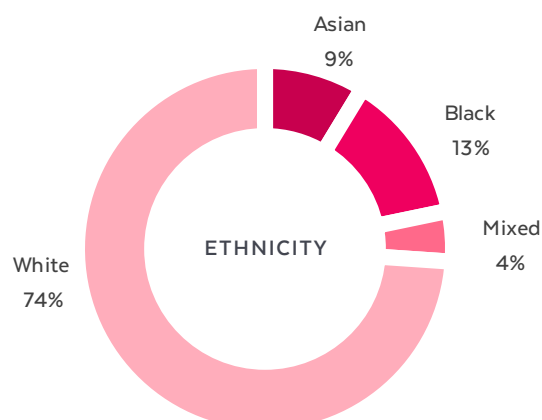
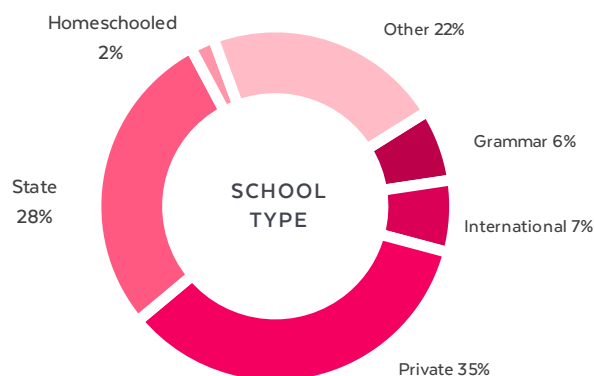
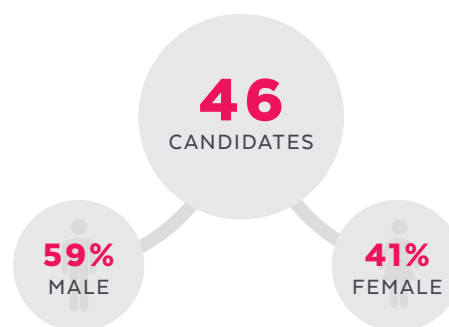
34% of this cohort attended a state school (including grammars and academies). Just over one third were privately educated, with a further 7% having attended international schools. Note: 'Other' at 22% where school was not stated.

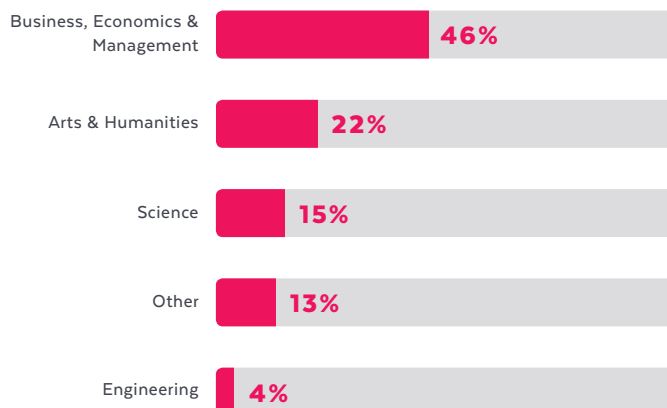
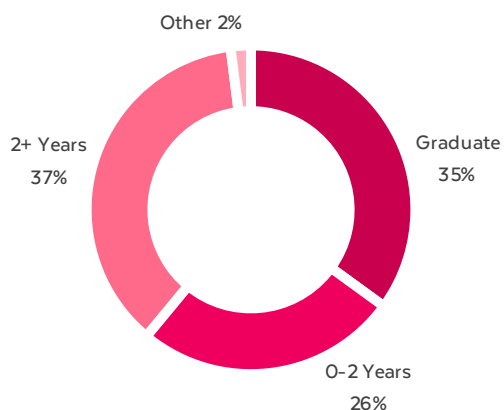
#### Ethnicity:

Ethnic minorities and NEFers of mixed background make up 26% of the Class of 2018. The rest of the class are white British / other white.

#### University type:

Over half of the cohort were drawn from Times Top 20 universities, and just over one fifth from other British universities; 7% of cohort members attended Oxbridge. 11% of the cohort attended a non-UK university.





#### Experience level:

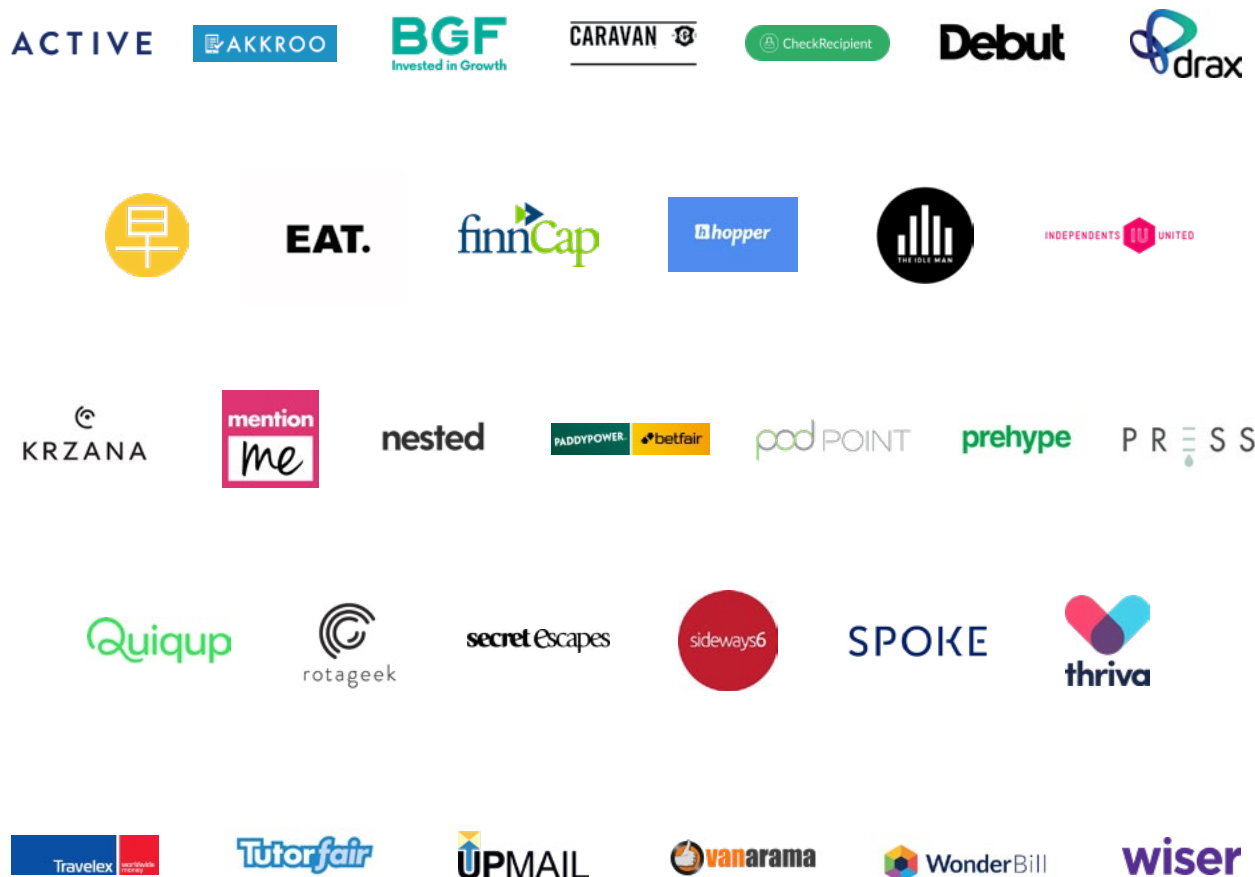
35% of the Class of 2018 were recent graduates; 63% had at least one year's experience (identical to the Class of 2017) and 37% had more than two years' experience (vs 29% in 2017).

#### Degree type:

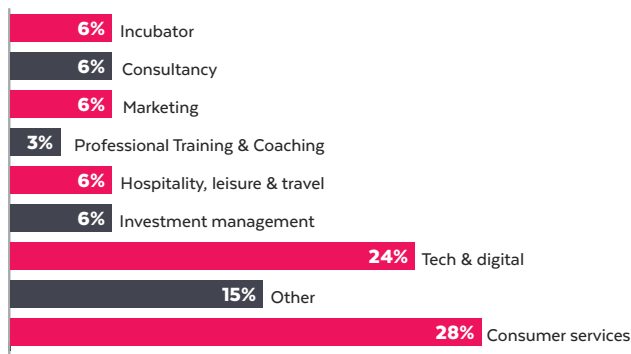
The bulk of the Class of 2018 hold Business, Economics or Management degrees; the second largest group hold Arts & Humanities degrees; 19% of this cohort hold Science or Engineering degrees. There are a diverse range of 'Other' degree types, including Anthropology, Criminology, Industrial Relations, Law and Publishing.

#### HOST COMPANIES FOR THE CLASS OF 2018

The Class of 2018 were placed in a cross-section of fast growing, entrepreneurial host companies. The companies covered a wide range of industries and sizes, and our NEFers performed a variety of functions within them. Our 2017/18 host companies were:



## HOST COMPANY INDUSTRIES



NEF continues to provide a diverse range of ventures across multiple sectors for NEFers to work in while on the programme. This year the majority of NEFers were placed in either consumer services or tech and digital businesses, but there was a large number of other sectors offered.

### NEFer-Founded Ventures

This year saw an increased number of the cohort placed in businesses that had been founded by NEF alumni, with 15% of the cohort finding roles in these businesses. This is a positive trend, that underlines the health of the NEF programme, and we expect this proportion to increase in subsequent years, as more NEFer founded ventures scale-up and seek to recruit from the NEF programme.



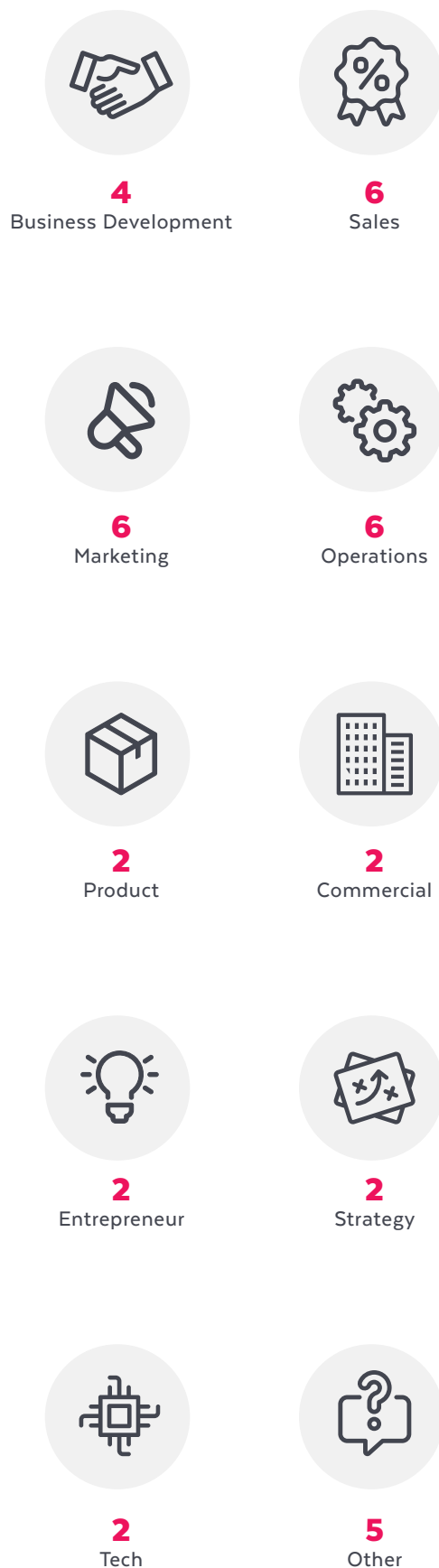
### Host Company Size

Over half of the group was placed in smaller companies with fewer than 50 employees, consistent with previous cohorts.



## TYPES OF ROLE NEFERS PERFORMED IN THEIR HOST COMPANY

While the NEF Host Company placements offer a diverse range of industries and companies, NEFers' roles within those businesses are similarly diverse.





## 2.7. NEF FAST-TRACK LEARNING PROGRAMME

### LEARNING WORKSHOPS

The NEF Class of 2018 attended 21 days of formal training workshops, representing nearly 170 hours of training during the year.

Each year, we aim to design a learning programme that will take our NEFers from ideation and customer proposition development through to pitching a business for seed funding at the end of the NEF year. NEFers learn and practice the skills and methodologies to undertake their market research and validation of their business idea. The schedule of workshops aims to give them the much-needed practical skills to launch a business (including sales, marketing, investor readiness) while also equipping them with the personal skills to become a successful entrepreneurial leader.

### CANDIDATE RATINGS OF WORKSHOPS

In 2017/18 we delivered 24 individual workshops, each of which is rated by the cohort on its effectiveness on a scale of 1 to 5 (with 5 being excellent). For this year's programme, we achieved an average rating across all the workshops of 4.28 out of 5.

We also asked the cohort to rate the workshops for their usefulness as they develop and launch their ventures: they rated 18 out of the 24 workshops delivered at 4 and above. The chart below shows the scores for each workshop.

#### Impact of workshop ratings

Cohort ratings and feedback are shared with each learning provider, to ensure a continuous improvement culture is fostered with our learning providers.

We set a threshold target of 4.25 as the minimum acceptable score for a workshop. Where results fall below this level, corrective action is taken with those learning providers – this can take the form of changes to content, delivery method or to drop or amend a specific topic.

### CANDIDATE FEEDBACK ON THE L&D PROGRAMME

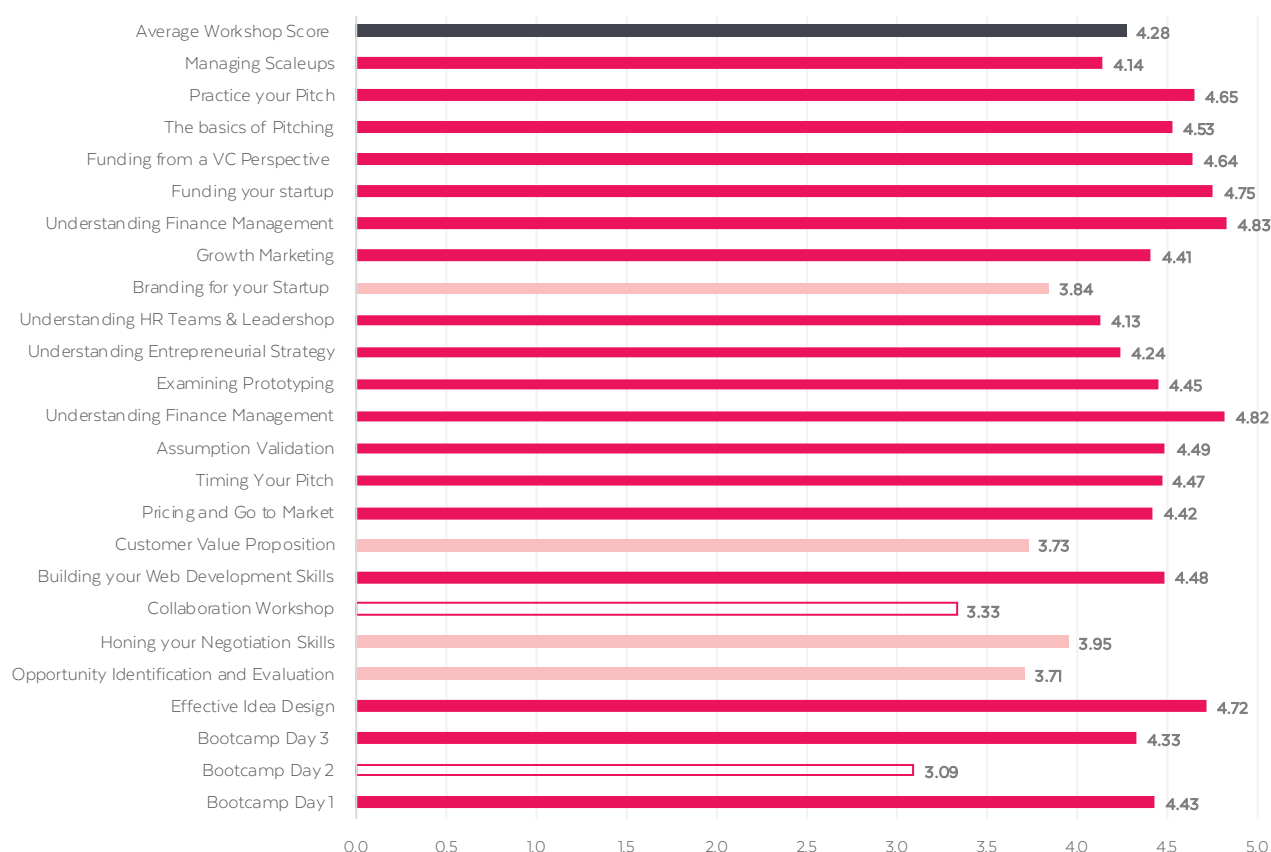
*"I found the various ways you reach your first 100 customers especially interesting and thought provoking"*  
(Growth Marketing workshop)

*"Made me start thinking about questions / tasks as hypotheses"*  
(LBS Timing Your Pitch workshop)

*"I really learned how to communicate with my development team"*  
(Web Development Skills workshop)

*"It was actually a very tangible session and can be applied immediately. All the tips on body language were most useful"*  
(The Basics of Pitching workshop)

*"I learnt solid skills on building financial models and cash flow management."*  
(Finance Management workshop)



Cohort scores for each workshop - 'Usefulness as an entrepreneur'

## PITCH DAYS 2017

The culmination of the NEF year for the cohort are our pitch days, held in June 2017, where members of the cohort present their business ideas to a panel of VCs, angel investors, entrepreneurs and business leaders. For the class of 2017, we ran three days of pitches – our aspiring entrepreneurs delivered a total of thirty presentations to panels of judges.

Pitch days are an opportunity for NEFers to apply the skills and knowledge that they have gained into their business pitch. By pitching to panels of judges, they practice and improve their pitching skills and receive practical and real-time feedback on their ideas and plans. These skills are an invaluable toolset that NEFers go on to develop as they progress their ventures through future fundraising activity.

Once again, David Pearl, Chairman of Pearl & Coutts and the David Pearlman Charitable Foundation kindly donated a £10,000 cash prize for the best pitch(es). This year, first prize was awarded to Natasha Goldstein for her business Co&Co (a collaboration platform); second prize went to James Beddows, founder of RideTo (an online motorcycle testing platform) and the third prize was received by Matt Morgan for HumbleBee (a honey-infused rum).



Pitch Prize Winners James Beddows and Natasha Goldstein (Class of 2017) with Dee Stirling (Trustee, NEF) (L), David Pearl (C), and Neeta Patel (CEO, NEF) (R)

## NEW LEARNING INITIATIVES INTRODUCED IN 2017/18

A key challenge each year is to maintain the high quality of our learning programme and adapt to the changing needs and learning styles of the new cohort, as well as keeping the content leading edge and current in the fast-moving entrepreneurial education space. We review the content, benchmark with other learning providers and continue to adapt our programme to enhance the overall learning programme.

For 2017/2018, we expanded the number of our collaboration workshops: these have been designed to increase peer to peer collaboration across the cohort and create an environment for the cohort to work together. During these sessions, NEFers started to share skills with each other, organised working groups around sectors of interest and/or skills, and planned how they could help each other to achieve their goals. By working in this way, they were able to leverage the wider knowledge of the group and forge stronger relationships and connections.

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*“Sometimes people can be too nice and hold back so it’s important to create an environment to support open dialogue”*

---

*“A really insightful session. A great deal of challenge in a friendly way”*

---

*“It is imperative to express what you are seeking to gain from a community in order to actually get it”*

---

We continued with peer-to-peer training workshops: this type of training has been recognised as an important part of entrepreneurial learning initiatives and has now become a core element of our overall learning curriculum. Peer-to-peer workshops are designed and delivered by NEF alumni.

We also commissioned NEF alumni to deliver more interactive learning sessions. We had two “Alumni Spotlight” sessions: these are shorter one-hour sessions, and are organised in a Q&A format, which stimulates discussion, and focuses on specific, relevant topics including resilience and team leadership.

We also had three alumni-led learning workshops on the topics of Effective Idea Design, Growth Marketing and Assumptions Validation.

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*“(It was) quality to have amazing alumni come in and speak to us and (he) taught me to really understand the value of yourself and your final business idea” (Effective Idea Design)*

---

*“The workshop was great, because it had strong practical element to it. It is always great to have a NEFer give a talk, and she was particularly inspiring because of her age so we were able to relate to her” (Growth Marketing)*

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*“This workshop has really helped my business proposition as it has taught me to be problem-centric not solution centric” (Assumptions Validation)*

---

Each year, we adapt to the new cohort's needs and create add-on seminars after the year has started to bring additional knowledge and skills into the schedule. This year, we delivered three additional seminars led by subject matter experts:

- An interactive Q&A session about the legal aspects of setting up and launching a business, delivered by the law firm Harbottle & Lewis.
- A webinar on "How to launch your start-up in the USA", with a number of US-market experts in marketing, intellectual property and immigration.
- A networking skills seminar was delivered by Oli Barrett MBE, who gave his insights, tips and advice to improve networking skills and develop business relationships.

## COACHING

Our unique coaching programme continued this year and the panel of carefully selected executive coaches grew to 43 professionals. All of the coaches, who are senior, qualified executive coaches, gave their time pro bono (this equates to an average of circa one hour per month per NEFer for the duration of the NEF programme). This year we offered a CPD (Continuous Professional Development) workshop for our coaches on the topic of "Coaching and Mental Health".

*"(It is) a privilege to work with the next generation of CEOs at the start of their careers. Coaching a NEFer gives us the opportunity to encourage reflective best practice at the onset of careers."* Sarah Perrott

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*"It was fulfilling and an honour to be able to support a 'young talent' in finding their direction."* Alison Young

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*"It was so stimulating to learn from this exceptional young man and to play a part in enabling him to support himself well emotionally and practically as he moved forward with his entrepreneurial ideas."* Carolyn Mumby

## MENTORING

As the cohort progresses through the year and starts to generate business ideas, we match NEFers with a 'principal' business mentor and also provide access to a pool of 'expert' mentors. In 2017/18, our panel of business mentors grew to 60 professionals. Mentors are successful entrepreneurs, business executives or senior staff from some of our donor organisations. Experts in their respective fields, the mentors provide honest advice and actionable feedback to our aspiring entrepreneurs. In 2017/18, our volunteer mentors provided over 250 hours of business mentoring, pro bono.

*"It was exciting to see my mentee pull everything together in spite of setbacks."* Nic King

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*"The highlight for me was to see my mentee's bravery and success with his popup restaurant, his amazing self-designed products and his incredible passion."* Emeline Wraith

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*"The joy of seeing a mentee turning into a rounded entrepreneur in front of your eyes."* Paul Foulkes-Arellano

## 2.8. EVENTS

A key element of the NEF experience is helping to build young entrepreneurs' networks and contacts. In the past year we have delivered a rich programme of events, from intimate, small-scale discussions all the way through to large-scale networking events. We have also integrated CFE's events programme into our schedule, and have worked to cross-pollinate both networks to further the reach and scale of our communities.

### DEMO DAY

On 17th January 2018, The Guildhall, in the City of London, hosted the annual NEF Demo Day where over 45 NEF ventures exhibited and 12 founders pitched to an audience in parallel with the main exhibition. The event was developed to promote and showcase NEF start-ups and their founders. This year over 350 people attended including VCs, angel investors, NEF donors, NEF Trustees and the media, plus other guests from the NEF community and network. Exhibiting ventures were from a wide range of sectors including: Food & Drink; IT & Services; Marketing, Advertising & PR; Retail & Consumer Goods; Social Enterprise and Technology.

The event was opened with welcome addresses from Catherine McGuinness, Chairman of the Policy and Resources Committee, City of London Corporation and Rajesh Agrawal, Deputy Mayor for London for Business. The evening was a testament to the power of our community.

*“NEF does a great job helping aspiring entrepreneurs and connecting them with each other. It's hugely important work”.*

— Rajesh Agrawal

Deputy Mayor of London for Business

*“I don't recall finding anywhere else, a more passionate group of young people dedicated to building new businesses and creating something new.”*

— Stuart Bruseth

Director of Communications - LetterOne

*“I am a huge fan of NEF and all that it does - I think that its main programme is literally world-class. In joining forces with the CFE, I'm confident that the enlarged organisation will go on to set and drive the agenda for entrepreneurship in the UK, and beyond!”*

— Oli Barret MBE

Co-Founder, Start-up Britain, Tenner, and Cospa



Opening address from NEF CEO Neeta Patel, joined by (left) Rajesh Agrawal, Deputy Mayor of London for Business, and (right) Catherine McGuinness Chairman of the Policy and Resources Committee, City of London Corporation



The main room at Guildhall for NEF Demo Day where NEF ventures were exhibited



Max Grell (NEF Class of 2017) pitches his venture BlakBear at NEF Demo Day



## NEF SPEAKER SERIES

In 2017/18 we ran a shorter programme of events, focused on the newest NEF cohorts, covering a broad range of topics including VC funding, personal networking effectiveness and scaling your business, delivered by a range of successful, and up-and-coming entrepreneurs. We also hosted our largest-ever NEF alumni town hall event, to break the news of the NEF/CFE 'merger' in November 2017, with over 120 Alumni in attendance.

We hosted the following speakers this year, and are hugely grateful to each of them for sharing their time, knowledge and experience:

**Cherry Freeman**, (Founder, LoveCraft),

**Gabriela Hersham**,  
(Co-Founder and CEO Huckletree),

**Joan Murphy**  
(Co-Founder, Move Your Frame),

**Laura Harper Hinton**  
(Co-Founder and Creative Director, Caravan),

**Malcom Bell**  
(Co-Founder, Zaggara),

**Sahar Hashemi OBE**  
(Founder, Coffee Republic and Skinny Candy),

**Renee Elliott**,  
(Founder, Planet Organic),

**Chris Corbishley**  
(Investor, Forward Partners)

In addition to our speaker events, we again hosted two recruitment-focused events, **'Start Your Entrepreneurial Journey with NEF'** and **'Step up the change: Disrupt the status quo'**.

**'Start Your Entrepreneurial Journey with NEF'** focused on early-stage entrepreneurship and how to get started in launching a business, along with first-hand experience of a host company placement. We invited four NEF alumni, two of whom are founders, and two who worked for a host company, to share their stories, and how NEF has helped to develop their entrepreneurial ambitions.

**'Step Up the change: Disrupt the status quo'** reprised the success of last year's female-focused recruitment event. Chaired by Rebecca Ellul (Class of 2014 and Alumni Council member), the event was informative, energetic and highly-engaging, with a well-supported social media response from the audience members.



NEF Alumnus Mike Bandar (Class of 2012) introducing an NEF recruitment event



Chris Corbishley (R) and Mike Bandar (Class of 2012) (L), discussing VC funding



From left - Peter Nixon (Class of 2017), Mike Bandar (Class of 2012), Ed East (Class of 2012), Alex Somervell (Class of 2016), Ishita Ranjan (NEF Head of Talent, Marketing and Communities), and Annie Coleridge (Class of 2018).



L to R: Renee Elliott, Laura Harper Hinton, Joan Murphy and Rebecca Ellul (Class of 2014) at the NEF speaker event 'Step up the change: disrupt the status quo'



## CVC YOUNG INNOVATORS AWARD 2017

For the third year, CVC Capital Partners exclusively partnered with NEF and ran a private pitch evening to award grants to help selected NEFs to grow their businesses. These awards are an opportunity for founders to secure seed funding for their business, get a year's dedicated support from CVC staff, and gain valuable pitching experience in front of senior executives at CVC.

The winner of a £20k grant was Ry Morgan for his start-up Unmind, a web platform that enables companies to support the mental well-being of their staff. Runner-up was Greg Drach, founder of Midnight Runners, which organises community running events in major cities.



Finalists of the CVC Young Innovator Award 2017 with the CVC judges and team

## CFE IAN (INCUBATOR AND ACCELERATOR) NETWORK LAUNCH

In February 2018, the Centre for Entrepreneurs held the inaugural conference of the Incubator and Accelerator Network – a community created by the Centre to help increase the scale and impact of university business incubation programmes. The two-day event was hosted in NatWest's London conference centre.

Incubator managers from across the UK heard from chief secretary to the Treasury Liz Truss, Founders Factory co-founder Brent Hoberman, Blackstone LaunchPad director Alisha Slye and a variety of entrepreneurs and investors. Attendees also participated in best-practice workshops to share their experiences.



Chief Secretary to the Treasury, Liz Truss MP



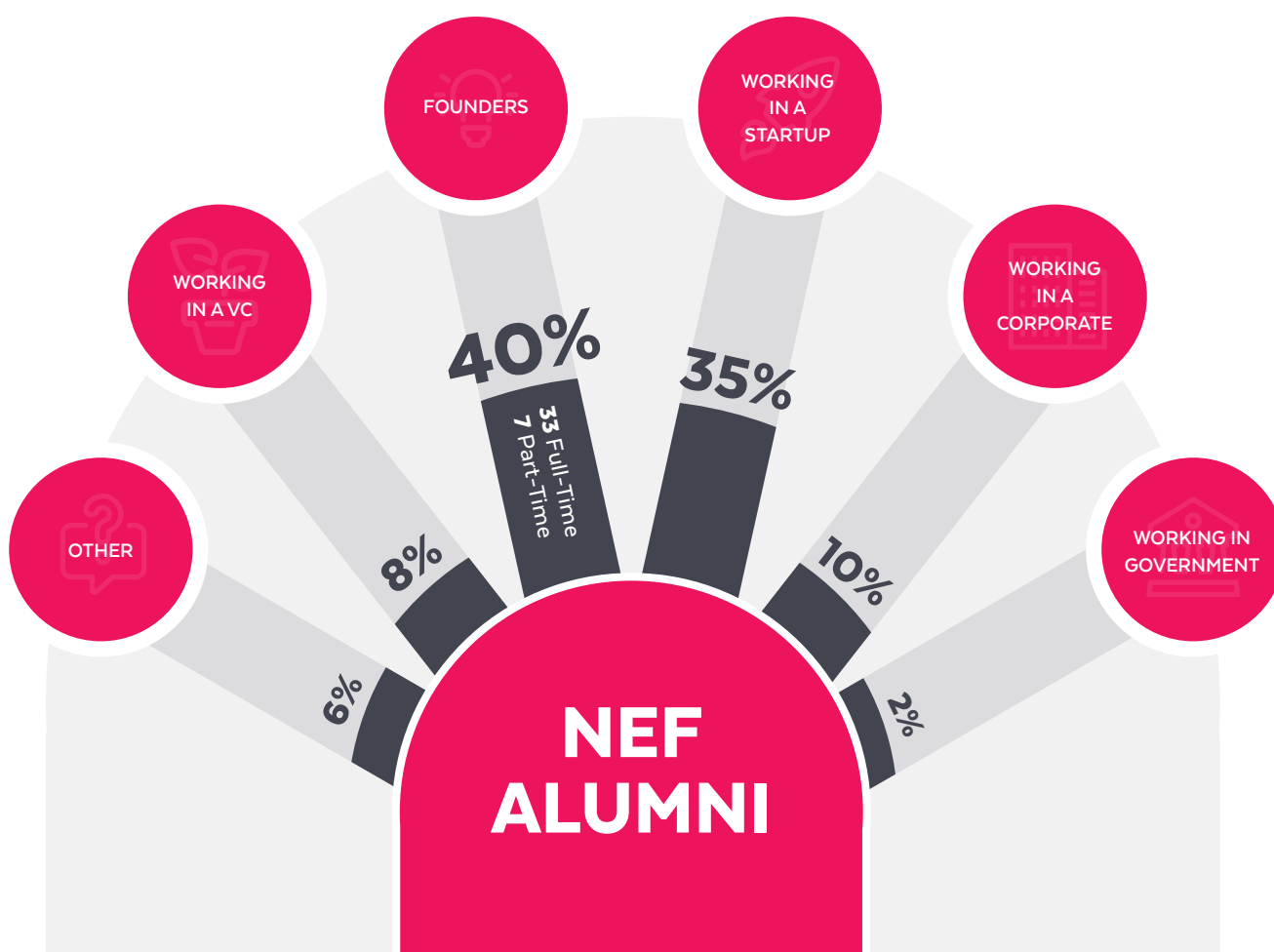
Young entrepreneurs Aaron Jones (See Fashion) and Agne Milukaite (Cycle.land) and conference host Oli Barrett

## 2.9. NEF ALUMNI - WHERE ARE THEY NOW?

We now have nearly **250** alumni of the programme.

We track their progress each year and the data below give a general breakdown of the sectors they are currently employed in. It continues to give us confidence in the programme that over 40% of alumni are either full or part-time entrepreneurs.

The remaining alumni are predominantly working in start-ups, with a small proportion working in corporates, venture capital or other sectors. An encouraging number of our alumni are playing key roles in helping scale up companies to grow, having made a significant contribution to their companies in their placement year.



## 3.0 NEF IMPACT REPORT

Our impact monitoring comprises two key measures, reflecting our focus on both entrepreneurial development and educational outcomes. As an entrepreneurial development organisation we measure how many candidates go onto launch new businesses, secure investment, create jobs and scale their businesses. As an educational charity, we also study the skills developed, confidence gained and networks created by programme participants.

### 3.1. NEF VENTURES: JOBS CREATED AND INVESTMENT RAISED

Over 40% of our alumni are working as full- or part-time entrepreneurs, and have launched over 100 new ventures in the last seven years. As of July 2018, our NEFs have:

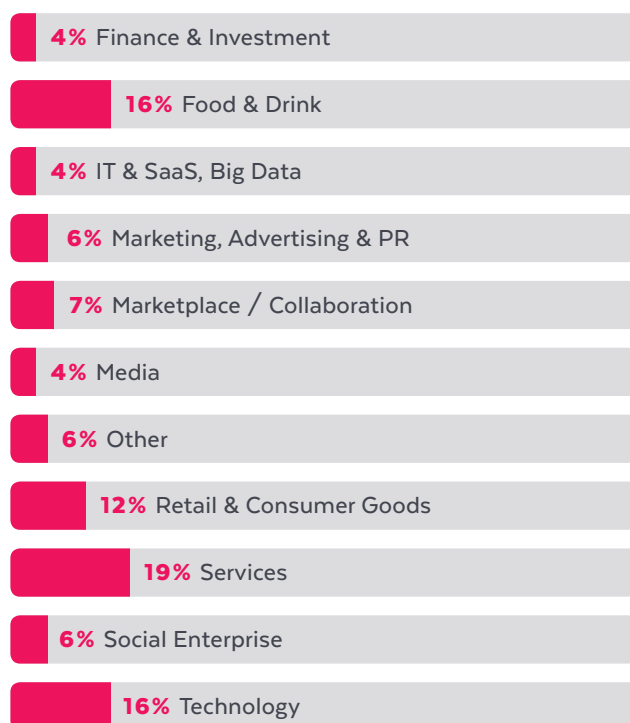
Launched 110 live ventures (over 150 launched in total)

Created over 1,500 jobs (940 full-time, 610 part-time)

Raised over £56M in seed funding for their ventures in the last seven years. This has been in the form of equity seed investment, loans, grants and competition money.

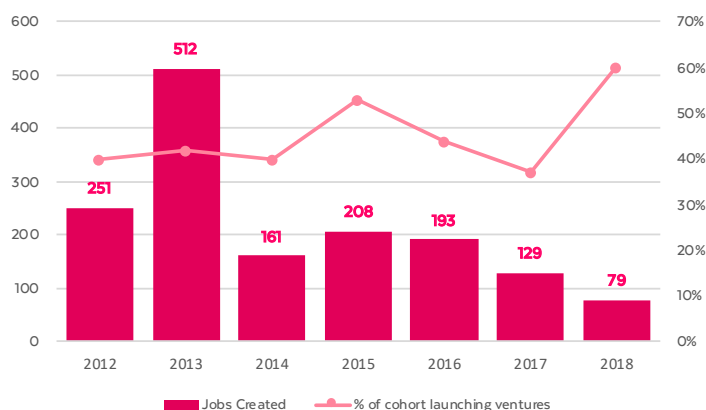
The new ventures are in a broad range of sectors, as shown at right.

We directly monitor new ventures launched through candidate tracking; educational outcomes are measured through an independent structured impact study - this year's study has been conducted by Kate Beresford FRSA, Director, Kate Beresford Associates Ltd, a specialist company that has worked on impact measurement for a number of university accelerators and incubators.



### 3.2. PERCENTAGE OF EACH COHORT LAUNCHING VENTURES AND JOBS CREATED

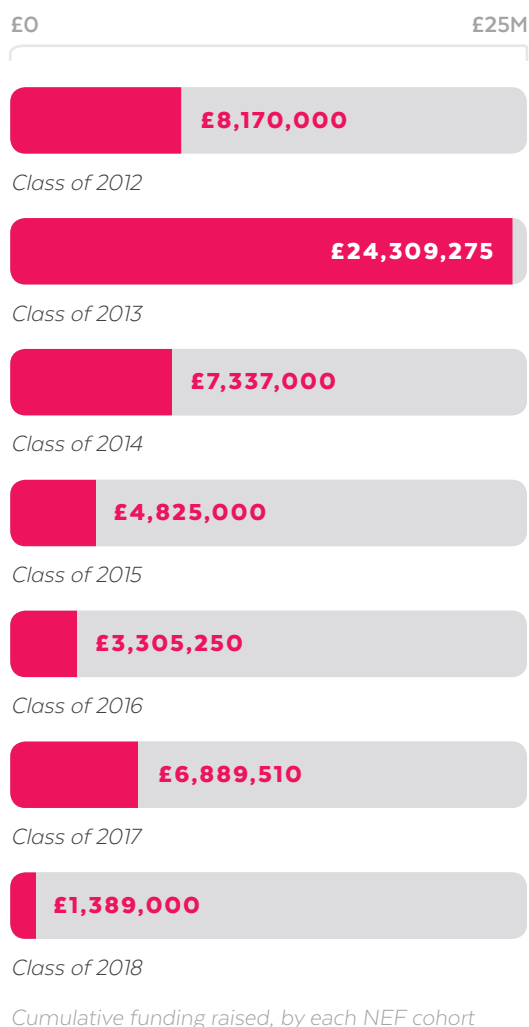
Ventures founded by NEF alumni have created a total of over 1500 jobs, including both full- and part-time roles. These span a number of geographies - both the UK and beyond, covering continental Europe, the USA, India, China, South East Asia and Australia. This is a further demonstration of the geographic reach of the NEF alumni network.





### 3.3. EARLY-STAGE FUNDRAISING

We have seen a significant, 113%, year-on-year increase in total funds raised by NEF alumni ventures, totaling £56M as of July 2018, versus £27M at July 2017. This is a very positive result, which demonstrates the strength and traction of NEF-funded ventures in a challenging economic and funding environment.



### 3.4. RESULTS OF THE FOURTH INDEPENDENT IMPACT STUDY

#### METHOD FOR MEASURING IMPACT

As part of our longitudinal study to measure impact of the NEF programme, the 2018 study was conducted by Kate Beresford and Dr. Jane Garnett of Kate Beresford Associates, a specialist research firm which measures impact of a number of university accelerator and incubator programmes. The approach taken and methodology used is outlined at the end of the impact report.

Taking a slightly different approach than in previous studies, the research study looked at the following key areas:

- Intention to start a business;
- Skills developed during the programme;
- Entrepreneurial leadership skills;
- Ambition for size of business;
- Impact of NEF Networks;
- Would they recommend the NEF programme to others?

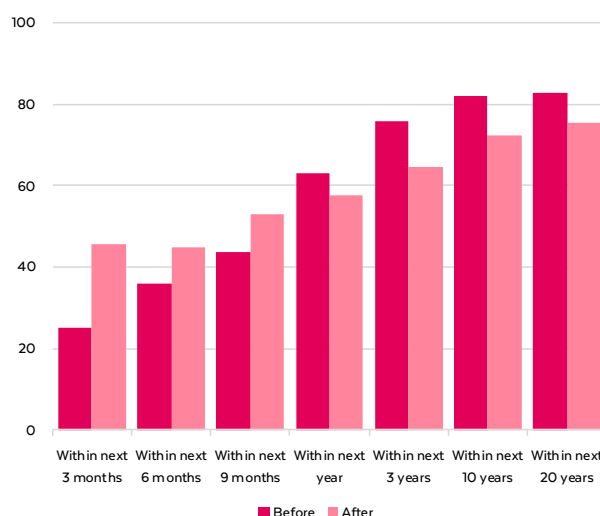
Key findings, as reported by Kate Beresford and Dr Jane Garnett are outlined here:

#### 1. INTENTION TO START A BUSINESS

Members of the 2018 cohort who did not already have a business were asked in the pre and post programme surveys:

‘Please indicate (0-100%) how likely you think it is that you will set up a business’.

There is a clear shift in readiness to start-up. Longer term ambitions to start a business have now become much shorter-term ambitions – for example the increase in the likelihood of starting up in the next 3, 6 or 9 months has increased by 36%. However, the overall level of start-up ambition remains virtually unchanged.



### 3.4. RESULTS OF THE FOURTH INDEPENDENT IMPACT STUDY (CONT.)

During cohort interviews we asked about their ambitions for joining the NEF programme and most referred to starting up, growing a business, or developing entrepreneurship skills. 30% of those interviewed said their ambitions had been fully met by the programme and the remaining 70% partially met. Where they reported 'partially met' there was often a suggestion that their ambitions would be fully met over time.

During interviews we also asked 'What difference has the programme made to the likelihood that you will start and / or grow a business in the future?'

70% said that they were now more likely to start and / or grow a business. For the 30% where there was no change, this was mainly because they already had a high ambition to do so. None of those interviewed said they were less likely to start-up following the programme.

**"Triple the likelihood [of starting up] - because it has given me the confidence that I have the skill set."**

**"Main impact has been it has reduced the risk of starting up and increased the likelihood of success."**

**"NEF has equipped me with the skills and knowledge to make real strides in turning what was just an idea, into an actual business. Going into the programme, I wouldn't have imagined I would make as much progress as I have, and that's thanks to the amazing network and support that NEF provides."**

In conclusion, there is strong evidence that the NEF programme has brought forward the likely timing of start-up with members of the 2018 cohort intending to start-up within the next three to nine months increased by 36%.

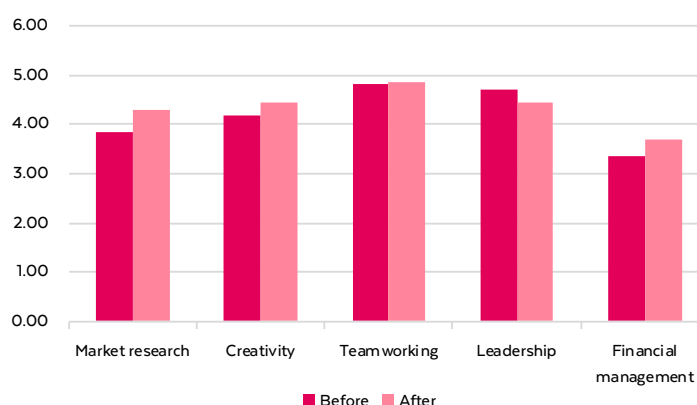
## 2. SKILLS DEVELOPMENT

In the pre- and post-programme surveys members of the 2018 cohort were asked to rate their skills in 5 areas:

**"How would you rate yourself on a scale of 1-6, with 1 being 'I have no / limited experience' and 6 being 'I am an expert on'"**

Average responses were as follows:

*Right: Pre- and post-programme cohort skills assessment*



	Market Research	Creativity	Teamworking	Leadership	Financial management
Before	3.85	4.18	4.82	4.72	3.36
After	4.31	4.46	4.85	4.46	3.69
Change (%)	+12.00	+6.75	+0.53	-5.43	+9.92

The most significant areas of change are in the areas of market research skills (12% increase) and financial management (9.9%). The only skill area with a reduction (albeit small at -5.4%) is leadership. We comment further on the programme's impact on leadership skills below.

In 2018, the evidence of skill change is less marked than in earlier years. However, there is consistency in terms of which skills cohort members believe they have increased the most - these being market research skills and financial management skills.

### 3. ENTREPRENEURIAL LEADERSHIP SKILLS

We were particularly interested to explore the development of entrepreneurial leadership skills because this is a clearly stated aim of the programme. Furthermore, as we know from other programmes, it is important to look beyond start-up when measuring the impact of entrepreneurship programmes. This is because there is an increasing need within existing growth businesses for employees who will drive growth in an entrepreneurial way – sometimes referred to as ‘intrapreneurs’.

In the telephone interviews we asked ‘How has the NEF programme helped you to develop your entrepreneurial leadership skills?’

Only seven of the 21 interviewed believed the programme had helped them to develop these skills. Where this was so, the elements of the programme that had helped were the coaching, mentoring and the work placement.

**“This has been helped through the host company.”**

**“Mentorship and coaching have helped a lot. Has helped me to identify when I am not being a good leader and how to address that.”**

**“Working in a NEF host company is a great opportunity to understand the challenges of being a young leader and not having experience in all situations. It is also a great opportunity to understand how exciting it can be working for young, inspiring and passionate people.”**

### 4. AMBITION FOR SIZE OF BUSINESS

All cohort members, either with or without a business were asked in the survey:

‘Please rank the following in terms of your preference

for how many employees you would like your business to have. So, place 1 next to your most preferred choice, 2 next to your next preferred choice, and so on.’

Average responses were as follows:

	0 to 5	6 to 10	11 to 20	21 to 50	51 to 100	100 to 499	500+
<b>Before</b>	4.94	4.29	3.74	3.31	3.41	3.78	3.65
<b>After</b>	5.11	4.49	3.94	3.11	3.33	3.73	4.00

The data shows that there is an even spread in terms of ambition for size of business, and no significant change between the start and end of the programme.

### 5. IMPACT OF NETWORKS

There has been significant and positive value experienced from the networks that the 2018 cohort have developed. During interviews and the focus group there was enthusiasm and excitement expressed for the usefulness of the networks now and likely usefulness in the future. Networks extend from the relationships that cohort members develop with each other to those with alumni and the wider NEF network of supporters.

During interviews we asked “Did you obtain any benefits from the NEF programme that you were not expecting at the outset?”

70% responded positively and of those, around half mentioned the network as the first thing that came to mind.

A sample of comments from the interviews that mention the network as an unexpected benefit:

**“Opportunities for introductions to investors – I’m only just realising what a benefit this could prove to be.”**

**“The alumni network was unbelievable.”**

**“Really powerful way of building your network and setting yourself on an upward entrepreneurial trajectory.”**

**“NEF has introduced me to a network of ambitious entrepreneurs, incredible coaches and experienced mentors, whose support will be invaluable going forward.”**

**“New, life-changing connections.”**

## 6. WOULD THE CLASS OF 2018 RECOMMEND THE NEF TO OTHERS?

In the post-programme survey, the cohort was asked: **“Based on your experience with NEF, which of these describes your view about recommending NEF?”** The responses were:



**Strongly recommend 73%**  
**Moderately recommend: 27%**



**Not recommend 0%**  
**Strongly not recommend: 0%**

During cohort interviews we asked a similar question (21 interviewees): **“Based on your experience of NEF would you recommend the programme to others?”** Results were slightly different here:



**Strongly recommend 85%**  
**Moderately recommend: 10%**



**Not recommend 1% (one person)**  
**Strongly not recommend: 0%**

## CONCLUSIONS

### Overall satisfaction with the NEF programme

It is testament to the hard work and dedication of the NEF team to see very high overall satisfaction levels, evidenced through the number of cohort members who would recommend the programme.

Participants were asked through the survey and during interviews whether they would recommend the programme and almost 100% said they would. Furthermore, between 73% and 85% would recommend the programme strongly which is extremely positive.

### Impact of the 2018 NEF programme

There is strong evidence that the NEF programme has brought about a clear shift in readiness to start a business. Longer-term entrepreneurial ambitions have now become much shorter-term ambitions, which is very positive. For example, the increase in the likelihood of starting up in the next three, six or nine months has increased by 36%.

It is unclear whether the NEF programme has increased cohort members' overall ambition to start-up. The surveys suggested no change in overall start-up ambition whereas during interviews it was reported by over one third of the sample that ambitions had increased. Our interpretation is that the interview responses may actually reflect an increased readiness to start rather than an absolute increase in intention to start-up. If the NEF programme has not increased the overall likelihood of members of the cohort starting a business at some point in the future this is not surprising as selection favours those with strong entrepreneurial ambitions.

There is evidence of moderate increases in skills, although slightly less marked than in previous years. There is consistency over the 7 years for which data is available in terms of which skills cohort members believe they have increased the most – these being market research skills and financial management skills.

Only around one third of the NEFers who were interviewed reported that the programme had helped them to develop their entrepreneurial leadership skills. Where this was so, the elements of the programme that had helped were the coaching, mentoring and the placement.

The value of the networks that the 2018 cohort have developed has proved to be extremely positive and in many cases surprisingly so. Networks extend from the relationships that cohort members develop with each other to those with alumni and the wider NEF support network. The value can appear at first to be intangible but very positive outcomes are reported already and this positive impact is likely to be sustained into the future.

**“In our first year of assessing the impact of the NEF programme, we have been impressed by the clear and convincing evidence of a shift in readiness to start or grow a business amongst the cohort. The rich combination of programme elements all contribute to this, with a particular emphasis being placed by many on the power of the NEF network to enable enduring entrepreneurial impact.”**

**Kate Beresford**

Director of Kate Beresford Associates Ltd – July 2018

## NOTES ON SURVEY DESIGN

### The approach taken in 2018

The 2018 impact study was undertaken by Kate Beresford and Dr Jane Garnett.

We were commissioned after the original pre-programme survey had been issued to the 2018 cohort so the same survey was also used at the post-programme stage for consistency. We analysed the responses, paying particular attention to comparing responses before and after the programme.

In addition, we interviewed 21 members of the current cohort during June 2018 via one-to-one telephone interviews. We consulted a further 11 members of the cohort during a focus group held in mid-May 2018. The surveys provided predominantly quantitative data that was analysed statistically whereas the interviews and focus group sought qualitative responses to provide more nuanced information to add context and depth to the analysis.

As requested by NEF, we also interviewed members of a control group. Despite extensive chasing by our team, only 5 members of the control group agreed to be interviewed and took part in interviews. The control group was invited to complete a survey that asked similar questions to the cohort survey. The first survey was issued in December 2017 and the second survey was issued in July 2018. The first version attracted 15 responses and the second only 6 responses.

### Note on the use of a control group

The principle of using a control group was to attempt to provide evidence to demonstrate that any changes in skills or attitudes observed in the cohort are genuinely attributable to the NEF programme.

The motivation to contribute to a programme that you have 'failed' to be selected for or have chosen not to take part in may be low and is likely to explain the small sample size achieved. The control group members who we interviewed did feel that they had succeeded in their ambitions without NEF, i.e. they were positive about their work and entrepreneurial prospects. However, due to the very small sample it would be wrong to conclude that the changes observed in the NEF cohort cannot be attributed to the programme itself.

A more relevant control group would be to use matched people to the NEF cohort (age, experience, sector, gender etc.) and to compare similar sample sizes. But we believe this is probably not practical as it is unclear how such a sample could be accessed and motivated to participate. We have therefore recommended that a control group should not be used in future years.

**Kate Beresford**

Director of Kate Beresford Associates Ltd - July 2018

## 3.5. HOST COMPANY IMPACT

As part of our internal impact assessment, we surveyed a sample of 25 host companies to assess the impact that their NEFer has made to the business. The feedback was universally positive and constructive.

Host companies regularly report how NEFers are impacting their businesses. Specifically, their NEFers desire to continually learn, take initiative to solve problems, understand and solve more complex business challenges and bring a proactive attitude and mindset to the organisation.

**Over 60% of host companies rank their NEFer in the top 30% or higher of new hires at a similar level.**

**88% of host companies had a positive experience hiring with NEF this year and 75% would recommend NEF to other high growth companies.**

*"Raymond has been a real asset to us in the year he's been with us. It's great to have someone with such drive and enthusiasm join the team. He has really embraced the experience of working with the engineers, is a well-liked individual and has added great value to the business at large."*

— Andy Higgs, CPO & Co-Founder, Akkroo

*"Ross worked with a variety of corporate partners at Prehype has also been very involved in working with our large cosmetics client, he is currently co-founding a makeup start-up that we co-created with them. NEF has been a great channel for us to find entrepreneurial talent for our start-ups."*

— Meeta Gournay, CEO & Co-Founder, Prehype

*"NEF has been invaluable to the business' growth over the past three years, providing a pipeline of highly motivated, intelligent employees."*

— Alex Outlaw, CMO, The Idle Man

*"Lina joined Secret Escapes a year ago into a broad special projects role reporting into me. She immediately got to grips with the complexity of our business model and impressed me with her analytical capability, willingness to work hard and being a generally nice person. She showed entrepreneurial spirit and commercial awareness to take on large and important projects including our mobile app, and her natural ability to solve problems meant she was a perfect sparring partner for me as we tackled building our 2018 strategies. The NEF programme made sure she was constantly learning and it was clearly a valuable resource for her during the year. Lina has been a huge asset to the business, and I'm excited to look at how we can leverage the NEF scheme in coming intakes."*

— Cian Weeresinghe, CMO, Secret Escapes



### 3.6. FUTURE PLANS

The year 2018/19 will see the first full year of operations of the merged group of New Entrepreneurs Foundation and The Centre for Entrepreneurs. In the past 5 months we have worked hard to align both organisations and their work to maximise joint opportunities.

Moving forward, we will engage with other organisations to research and formulate ideas for entrepreneurial skills development in a rapidly-changing world, and look to develop entrepreneurship programmes for wider groups and communities.



### 3.7. CASE STUDIES



#### CASE STUDY

## EDWARD EAST BILLION DOLLAR BOY

Ed East (NEF Class of 2012) is the CEO and Co-Founder of Billion Dollar Boy, one of the fastest growing and most innovative next generation media companies. Billion Dollar Boy delivers curated and cost-effective influencer marketing campaigns that they manage start to finish for global brands. The company also provides the technology and tools for organisations to successfully transform the impact of social media Influencers for their brands.

Ed was one of the earliest joiners of NEF, joining the programme after completing his degree in International Affairs in Virginia, US. Ed realised he wanted to be an entrepreneur early on, inspired by his father as entrepreneurship runs in their family! In recent years, Billion Dollar Boy has hosted and hired a NEFer, seeing the entrepreneurial thinkers as key talent for the growth of the business.

Billion Dollar Boy has gone from strength to strength in recent years, the team has grown from 8 to 30 in the past year, grown its portfolio of major global brands, expanded to the US and invested in technology infrastructure. Ed is on a mission to continue growing Billion Dollar Boy and to build an environment where his team thrives. His target is to hit a turnover of £10 million in the next two years.

“

“There are many people that do not have the networks or communities that can encourage them to take a risk and start their own business. Once you join, NEF really becomes your family and helps you with that. You are in a community where other people are on the same journey, which gives you that encouragement that you need”

## CASE STUDY



# YANG LIU

## JOEY WEARS

**Yang Liu (NEF Class of 2018) is the CEO and Co-Founder of Joey Wears, an e-commerce company that delivers underwear for men, without compromising on style or cost. In a world where mens' underwear focuses on celebrities and retailers, Joey Wears is disrupting the status quo by using innovative designs and the latest in textile technology.**

Before joining NEF, Yang studied English at University in China and then moved to London where she secured a job at a start-up. In her job, she got the chance to meet brilliant founders and seeing how they transformed ideas into reality and was inspired to follow in their footsteps. A big fan of customer technology and a strong believer in the potential of niche ideas to make a very big impact, Yang set up Joey Wears. She came to the NEF programme to take her idea to the next level and learn the skills needed to do so.

Yang has found being part of the NEF programme to be a transformative experience. The workshops equipped her with the insight she needed to get Joey Wears investment-ready, and being part of a group of passionate and ambitious people has been very powerful for her in terms of motivation.

Since joining the programme, Joey Wears has secured an £150k SEIS round, with the support of angel investors whom Yang met via the NEF community. The Wears team has also grown – from three to six members. The company aims to achieve £1 million turnover in the next 12 months, a goal that Yang is currently on track to meet.

“

The best decision I made in 2017 was to join the programme – it gave me more things than I expected, and has been invaluable. The powerful part of NEF is the whole community you're with – alumni, business advisors and coaches, the current cohort. Each member brings a unique skill or perspective and each person adds a value – something that you cannot get anywhere else. The overall support from the NEF team and community has been so valuable for me. It is more than just a working relationship; people really care, want us to do well, want to see us grow and achieve all we can”



## CASE STUDY

# GIOVANNI FRANZEN YNDICA



**Giovanni (NEF Class of 2018) founded Yndica, a company that takes a new, holistic marketing approach for innovative brands. Yndica provides a unique advertising platform by physically displaying a curated selection of brands or products inside an immersive pod that can be placed in a key location. Customers can purchase displayed items instantly from any smartphone using an app. Yndica gives brands visibility in prime retail spaces at a fraction of the usual cost, whilst offering a new sales channel.**

Before joining NEF, Giovanni was a product designer and studied at Central St Martins at the University of the Arts London. Giovanni took an unusual path into entrepreneurship, fuelled by the desire to build, grow and have ownership of his own design projects. Giovanni spotted a challenge that many new consumer brands face – the difficulty in establishing a strong physical retail presence, despite the fact that the highest percentage of retail happens physically. Giovanni joined NEF to learn how to set a business up in the UK, and to be surrounded by people who were motivated, competitive and on the same wavelength. Since joining NEF, Giovanni has rethought Yndica's business model, harnessed the use of technology and taken a big leap forward. Giovanni has even found a co-founder through the cohort, which has been invaluable to him.

Yndica was recently chosen as one of the top 50 creative start-ups in London and the company also secured investment at the NEF Pitch Days. Giovanni is on a mission to make Yndica a 24-hour global business. His goal is to have more physical locations than any other brand in the UK. Giovanni has raised £1 million to date which will help him fuel the next stage of his company's growth and he is looking forward to the day where he can pay it forward and take on his own NEFer.

“““

“The learning and development programme workshops have been very valuable to me. There is so much learning when the cohort gets together. In every workshop, I learned something new and the subjects we covered were incredibly important. The NEF network is also very valuable, the mentors and coaches shared opinions and knowledge that was very insightful and I've seen the benefits of the community with my own eyes”

## CASE STUDY

# KIKE ONIWINDE

## BYP (BLACK YOUNG PROFESSIONALS) NETWORK APP



**Kike (NEF Class of 2018) is the CEO and Founder of BYP Network, a social platform for black young professionals to network, socialise and date. It connects future leaders aged 18 - 35, enables them to search for new jobs or entrepreneurial opportunities and build relationships with like-minded individuals in the black community. With diversity and inclusion being an ongoing issue in many workplaces, BYP is creating a network for corporates to tap into, as well as a community of people to connect and support each other.**

Kiki graduated with a BSc in Economics from the University of Nottingham and an MSc in Management from the University of Florida. During her time in Florida, Kike was on a track and field scholarship, and this gave her the opportunity to meet a lot of talented, black individuals. Kiki realised the potential and power of connecting black individuals to each other, and so the idea for BYP was born. Not her first attempt at setting up a business, Kike has trialled and tested several ideas from the age of 18. One thing she learned was how important it was to have the right environment to succeed. On returning to the UK from Florida, Kike joined NEF in order to be part of a community, realise her vision and get structured support.

Kiki has found that she has grown a lot during her time on NEF, personally and as a leader, something that has been fuelled by the support from coaches and mentors. The NEF network has also been invaluable for expanding her horizons and providing access to opportunities. Since joining NEF, Kike has nurtured her idea and turned it into a scalable platform.

Since graduating from NEF, BYP has secured a £25K Sky Technology Scholarship, won the 2018 Founders Forum competition, won first prize at NEF Pitch days and was shortlisted as CVC innovator of the year. Kike has raised £41,000 to date and is now looking to raise £1-2 million by the end of the year. Kike's ambition is to create a global network and to be the leader in creating diversity in corporations.

“

“I got the opportunity to meet people that I wouldn't have otherwise - on the cohort, everyone was from different walks of life, and everyone helps each other. If I didn't have NEF I wouldn't have the knowledge that I have in terms of what can be done and how to really grow your start-up. I really don't think I would be where I am right now. My ambition in the next six months is to have a new platform getting millions of downloads, and be the leader in improving diversity in corporations - I want to be global”

## CASE STUDY



# JAMES BEDDOWS

## RIDETO

**James Beddows (NEF Class 2017) is the Founder of RideTo, a company making it safer and easier to experience the joy of riding a motorcycle. RideTo is the UK's fastest growing platform for new riders to find the best training, bikes and gear, supported with expert advice.**

Before launching RideTo, James studied Marketing at University and worked in sales shortly after graduating. He had the desire to run his own business from the early age of nine, when he and his sister set up a vegetable delivery business in order to fund their trampoline. This is when James realised that he could control his own financial destiny, and realised he wanted to be an entrepreneur. As a Londoner, James learnt how to ride a Vespa to avoid the Central line. In going through the process of learning how to ride a bike himself, he couldn't believe how fragmented, frustrating and archaic the whole experience was - and so, an idea was born. James joined the NEF programme when RideTo was an idea and shortly after the programme began, went full time to work on it. James built a concept and had a handful of customers which was enough for him to raise a seed round which he closed by the end of his NEF year.

James has had great success to date. RideTo grew from one customer and one motorcycle training school to 40 schools across 11 cities in the UK and over 3,000 customers. James has had the opportunity to work with big corporates such as Deliveroo, Pizza Hut and Quigley. Since leaving NEF, James has met two investors through the NEF network, and has now raised £475,000. His long-term vision and ambition is to build the AA for motorcycling. He would like RideTo to be a destination for motor cyclists to get everything that they need.

“““

“I got way more out than I ever could have imagined. I honestly didn't realise how big the network side was. I went into it hoping for a catalyst and a launchpad for me to do my own thing, and be surrounded by people who are going through the same thing who would be able to motivate me and inspire me. I got all that and so much from, including a lot of value from the NEF events and workshops, and the Alumni network”

## CASE STUDY

# STUART MACDONALD MANILIFE

**Stuart (NEF Class of 2017) is the founder of ManiLife, who always knew he wanted to do something a bit different but not necessarily what that was. Before joining NEF, Stuart studied Economics and Spanish at Bristol University. He achieved a first class honours and received a job offer at PwC, which he deferred to travel to Argentina to work with a social enterprise. This was a turning point for him, when he realised he wanted to run his own business.**

Stuart spent a year in Argentina working for a social enterprise that distributed peanut butter around soup kitchens in Buenos Aires. It's fair to say that he fell in love with peanut butter during that time, and realised that he needed to find a way to pursue this passion. Inspired by the principles of rigorous sourcing and craft roasting that he saw in single origin coffee, he decided to apply those ideals to peanut butter and create something unique.

On his return to the UK, Stuart founded ManiLife - an award-winning craft peanut butter made in the UK. By sourcing the best (Argentinian) ingredients, meticulously roasting and carefully blending them, ManiLife creates what many are calling "the tastiest peanut butter on Earth".

Even though he had a business idea, he still very wasn't sure of himself and, having taken the bold decision to quit a job in accounting to pursue his passion as sole founder, he really wanted to have a support network around him. He hoped NEF would be that support system for him and, joining the programme as a self-sponsored candidate in 2016, was pleased to find it was. During his NEF year, Stuart grew ManiLife from a one-person, low-volume product (using a rented kitchen in Acton to make the



“““

**“The early stages of ManiLife were super-shaky and NEF provided me with a lot of solidity and support, especially with contacts and raising money. The coaching was instrumental - Simon, was absolutely amazing. I'd go to him in a complete mess over decisions I'd made or was making, and would genuinely leave an hour later clear as crystal. I've kept in touch with Simon, though maybe not as much as I should have!”**

peanut butter) to a fast-growing and distinctive brand in the UK market. In early 2017 he raised over £275,000 in crowdfunding, in turn breaking the Seedrs' platform record for the fastest-closing food and beverage fund, grew his team and closed a number of high-profile distribution deals.

ManiLife now employs six people and makes peanut butter in the same way that craft coffee is created. The products are 100% natural, ethically-sourced and unique-tasting. Stuart persuaded Chris Dee, ex-CEO of Booths supermarkets to join as non-executive chairman in late-2017. Since then, Stuart has widened ManiLife's distribution channels to include a number of leading UK retailers, including: Selfridges, Gousto, Pod, Mindful Chef, M&S, Holland & Barrett, Amazon, Google and Ocado, as well as a large number of independent outlets.

## 4.0 FINANCE AND RISK

### 4.1. FINANCIAL REVIEW

Total income for the period was £1,106,919 (2017 - £743,986). This consisted of charitable income comprising contributions from sponsor companies and donations of £836,919 (2017 - £664,236) and income from other trading activities of £270,000 (2017 - £79,750) of which £170,000 related to host company participation fees (2017 - £79,750) and £100,000 to the funding of projects and activities of the Centre for Entrepreneurs Think Tank programme (2017 - £nil).

Expenditure for the period totaled £899,958 (2017 - £761,286).

Expenditure on charitable activities for the period amounted to £851,426 (2017 - £734,930). This comprised £734,082 (2017 - £734,930) in respect of the New Entrepreneurs programme and £117,344 (2017 - £nil) in respect of the new Think Tank programme which commenced in November 2017. Costs of raising funds was £48,532 (2017 - £26,356).

This resulted net income for the year of £206,961 (2017 - net expenditure of £17,300) and total funds at 5 April 2017 of £108,999 (2016 - £126,299).

At the period-end £194,257 has been set aside by the Trustees for designated purposes. This includes the remaining anticipated costs of the 2017/18 programme (2016/17 - £14,257) and £180,000 to cover the committed Centre for Entrepreneurs Think Tank activity until the end of the first year of operations. The remaining balance of £121,703 (2017 - £89,744) is unrestricted. Of this balance, £116,561 (2016 - £86,572) constitutes the charity's free reserves carried forward as discussed below.

### 4.2 RISK MANAGEMENT

The Trustees are mindful of their responsibility as charity Trustees to identify the risks the charity faces, and to establish and implement systems and procedures to mitigate those risks identified. A risk assessment has been carried out during 2017/18 and has been implemented in the current year.

The Trustees see the main risks for the organisation as being funding and potential financial fraud. In this current year, we have addressed each of these risks in the following way:

**Funding:** The key risk to NEF's ability to continue operations is raising sufficient donations each year. In previous years, Trustees were mindful of an over reliance on certain funding sources. In this last year, we have taken a number of steps to widen the sources of funding.

We were successful in securing a 3-year commitment of significant funding from the International Investment business, LetterOne. We also secured a higher level of donations from six of our Corporate donors.

We have actively targeted more individual or 'Fellowship' donors and have continued to request participation fees from host companies to enable their NEF candidate to participate in the programme. This fee, remained at £5,000 / £2,500 for non-NEFer / NEF-founded companies respectively this year and helps the charity meet some of the recruitment costs and make a small contribution towards their NEFer learning programme.

We were also successful in securing sponsorship from The Said Foundation to support the CFE Refugee Entrepreneurs Report and related launch events.

**Fraud:** We seek to mitigate against financial fraud by separating budget, commissioning and authorisation sign-off duties. The basic rule we follow is that an individual who has commissioned any expenditure cannot authorize the expenditure, nor pay the invoice relating to that item. Only the CEO and COO are authorised to commission paid activities and we have introduced a 3-step process for processing all payments as well as regular bank payments and cash reconciliations.

### 4.3 VOLUNTEERS AND OTHER SUPPORTERS

The trustees are very grateful to the many volunteers and other supporters who have given their time and energy to the charity over the past year and who have provided invaluable assistance to the management team and candidates.

Approved by the trustees and signed on their behalf by:



Trustee

Approved by the Trustees on 24th September 2018

## 5.0 INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE NEW ENTREPRENEURS FOUNDATION

**We have audited the financial statements of the New Entrepreneurs Foundation (the 'charitable company') for the period ended 31 March 2018 which comprise the statement of financial activities, the balance sheet, and statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).**

In our opinion, the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 March 2018 and of its income and expenditure for the period then ended;
- Have been properly prepared in accordance with United Kingdom generally accepted accounting practice; and
- Have been prepared in accordance with the requirements of the Companies Act 2006.

### **BASIS FOR OPINION**

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

### **CONCLUSIONS RELATING TO GOING CONCERN**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- The trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- The trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **OTHER INFORMATION**

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

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

We have nothing to report in this regard.

### **OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

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

- The information given in the trustees' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- The trustees' report has been prepared in accordance with applicable legal requirements.



## MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

## RESPONSIBILITIES OF TRUSTEES

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## USE OF OUR REPORT

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Edward Finch, Senior Statutory Auditor**  
for and on behalf of Buzzacott LLP, Statutory Auditor



130 Wood Street  
London  
EC2V 6DL

## 6.0 STATEMENT OF FINANCIAL ACTIVITIES

31 March 2018

	Notes	2018 Total funds £	2017 Total funds £
<b>Income and expenditure</b>			
<b>Income:</b>			
Donations	1	836,919	664,236
Other trading activities	2	270,000	79,750
<b>Total income</b>		<b>1,106,919</b>	<b>743,986</b>
<b>Expenditure:</b>			
Costs of raising funds	5	48,532	26,356
Expenditure on charitable activities			
Charitable activities	4	851,426	734,930
<b>Total expenditure</b>	3	<b>899,958</b>	<b>761,286</b>
<b>Net income (expenditure) and net movement in funds</b>		<b>206,961</b>	<b>(17,300)</b>
<b>Reconciliation of funds:</b>			
Fund balances brought forward at 6 April 2017		108,999	126,299
<b>Fund balances carried forward at 31 March 2018</b>		<b>315,960</b>	<b>108,999</b>

All of the charity's activities derived from continuing operations during the above financial period.

All funds are unrestricted.

All recognised gains and losses are included in the above statement of financial activities.

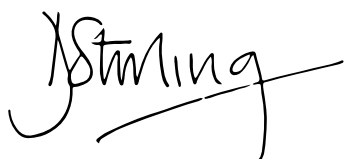
The notes to the accounts on pages 45 to 51 form part of these financial statements.



## BALANCE SHEET

	Notes	2018 £	2018 £	2017 £	2017 £
<b>Fixed assets</b>					
Tangible fixed assets	10		5,142		3,172
<b>Current assets</b>					
Debtors	11	168,383		62,236	
Cash at bank and in hand		249,014		164,369	
		<u>417,397</u>		<u>226,605</u>	
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	12	(106,579)		(120,778)	
<b>Net current assets</b>			310,818		105,827
<b>Total net assets</b>			<u>315,960</u>		<u>108,999</u>
<b>The funds of the charity:</b>					
Unrestricted funds					
. General funds			121,703		89,744
. Designated funds	13		194,257		19,255
			<u>315,960</u>		<u>108,999</u>

Approved by the board of Trustees and signed on behalf of the trustees by:



Trustee

New Entrepreneurs Foundation, Company Limited by Guarantee  
Registration Number 07469562 (England and Wales)

Approved by the Trustees on 24<sup>th</sup> September 2018

## STATEMENT OF CASH FLOWS

	Notes	2018 £	2017 £
<b>Cash flows from operating activities:</b>			
Net cash provided by operating activities	A	87,830	38,862
<b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets		(3,185)	(1,705)
<b>Net cash used in investing activities</b>		<b>(3,185)</b>	<b>(1,705)</b>
<b>Change in cash and cash equivalents in the period</b>		<b>84,645</b>	<b>37,157</b>
<b>Cash and cash equivalents at 6 April 2017</b>	B	<b>164,369</b>	<b>127,212</b>
<b>Cash and cash equivalents at 31 March 2018</b>	B	<b>249,014</b>	<b>164,369</b>

Notes to the statement of cash flows for the period to 31 March 2018.

### A Reconciliation of net movement in funds to net cash provided by operating activities

	2018 £	2017 £
<b>Net movement in funds (as per the statement of financial activities)</b>	<b>206,961</b>	<b>(17,300)</b>
<b>Adjustments for:</b>		
Depreciation charge	1,215	1,163
(Increase) decrease in debtors	(106,147)	33,887
(Decrease) increase in creditors	(14,199)	21,112
<b>Net cash provided by operating activities</b>	<b>87,830</b>	<b>38,862</b>

### B Analysis of cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	249,014	164,369
<b>Total cash and cash equivalents</b>	<b>249,014</b>	<b>164,369</b>

## PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below.

### BASIS OF PREPARATION

These financial statements have been prepared for the period 6 April 2017 to 31 March 2018 which the comparative information prepared for the year to 5 April 2017.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in sterling and are rounded to the nearest pound.

### CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

Preparation of the accounts requires the trustees and management to make significant judgements and estimates.

The key items in the financial statements where these judgements and estimates have been made are in respect to estimating the allocation of support costs between programmes and the designation of outstanding expenditure required for the 2017/18 candidates to complete their training programme.

### ASSESSMENT OF GOING CONCERN

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The trustees have made this assessment in respect to a period of one year from the date of approval of these accounts.

The trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due.

### INCOME RECOGNITION

Income is recognised in the period in which the charity has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received.

Donations and contributions are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Participation fees are recognised in the financial period in which the service is provided.

Donated services and facilities provided to the charity are recognised in the period when it is probable that the economic benefits will flow to the charity, provided they can be measured reliably. This is normally when the service is provided/the facilities are used by the charity. An equivalent amount is included as expenditure.

Donated services and facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain facilities or services of equivalent economic benefit on the open market.


In accordance with the Charities SORP FRS 102 volunteer time is not recognised.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

### EXPENDITURE RECOGNITION

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis, candidate recruitment costs in relation to the New Entrepreneurs programme are recognised in the financial



year of enrolment. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

- Expenditure on raising funds includes all expenditure associated with raising funds for the charity. This includes staff costs associated with fundraising, and an allocation of support costs.
- Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. Such costs include the running of training programmes, candidate recruitment, entrepreneurship research, and support costs including governance costs.

#### **EXPENDITURE RECOGNITION (CONTINUED)**

Grants are made where the trustees consider there is real need following a review of the details of each particular case and comprise single year payments rather than multi-year grants. Grants are included in the statement of financial activities when approved for payment. Provision is made for grants and donations approved but unpaid at the period end.

All expenditure is stated inclusive of irrecoverable VAT.

#### **ALLOCATION OF SUPPORT AND GOVERNANCE COSTS**

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity it is necessary to provide support in the form of personnel, financial procedures, provision of office services and equipment and a suitable working environment. Governance costs comprise the costs involving the public accountability of the charity (including audit costs) and costs in respect to its compliance with regulation and good practice.

Support costs and governance costs are apportioned based on an estimation of the time spent by each member of staff on each activity or on an estimate of the proportion of costs relating to that activity.

#### **TANGIBLE FIXED ASSETS AND DEPRECIATION**

All assets with a cost greater than £500 and a life expectancy exceeding one year are capitalised.

Tangible fixed assets are included at cost. Depreciation is provided at the following annual rates in order to write off each asset on a straight line basis over its estimated useful life:

Computer and equipment    20% p.a. of cost

#### **DEBTORS**

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

#### **CASH AT BANK AND IN HAND**

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

#### **CREDITORS AND PROVISIONS**

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

#### **FUNDS**

##### **Unrestricted funds**

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity.

##### **Designated funds**

Designated funds are funds set aside out of unrestricted funds by the trustees for a specific purpose.

#### **LEASED ASSETS**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight-line basis over the term of the lease.

#### **PENSION CONTRIBUTIONS**

Contributions in respect of the charity's defined contribution pension scheme are charged to the statement of financial activities when they are payable to the scheme. The charity's contributions are restricted to those disclosed in note 7. Outstanding contributions at the period-end are included in creditors. The charity has no liability beyond matching its contributions and paying across the deductions for the employees' contributions.

## NOTES TO THE FINANCIAL STATEMENTS

### 1. DONATIONS

	2018 Total funds £	2017 Total funds £
Contribution from donors	441,000	468,784
Cornerstone donations	200,000	—
Gift aid receivable	11,313	22,909
Other donations	14,006	19,143
Gifts in kind	170,600	153,400
	<b>836,919</b>	<b>664,236</b>

Gifts in kind relate to coaching, consultancy and venues provided free of charge, the related costs are included within Training programmes (note 5).

### 2. OTHER TRADING ACTIVITIES

	2018 Total funds £	2017 Total funds £
Host company participation fees	170,000	79,750
Centre for Entrepreneurs (note 17)	100,000	—
	<b>270,000</b>	<b>79,750</b>

### 3. ANALYSIS OF TOTAL EXPENDITURE

	Direct costs £	Support costs (note 6) £	2018 Total funds £	2017 Total funds £
Costs of raising funds	—	48,532	48,532	26,356
Charitable expenditure				
• Charitable activities (note 4)	405,303	446,123	851,426	734,930
	<b>405,303</b>	<b>494,655</b>	<b>899,958</b>	<b>761,286</b>



## 4. CHARITABLE ACTIVITIES

	2018 Total funds £	2017 Total funds £
<b>New Entrepreneurs programme</b>		
Candidate recruitment	71,821	93,748
Training programmes	278,018	264,626
Support costs (note 5)	384,243	376,556
<b>Think Tank programme</b>		
Research and reporting	8,032	—
Staff costs	47,432	—
Support costs (note 5)	61,880	—
	<b>851,426</b>	<b>734,930</b>

## 5. SUPPORT COSTS

The support costs (including governance costs) incurred during the period to 31 March 2018 and the bases of their allocation were as follows:

	Raising funds £	Charitable activities £	2018 Total funds £	2017 Total funds £
Staff costs	15,620	296,782	312,402	279,677
Staff recruitment and training	212	4,034	4,246	12,014
Travelling costs	195	3,702	3,897	2,871
Advertising	1,301	24,717	26,018	20,055
Office costs	3,083	58,575	61,658	44,675
Entertaining and gifts	163	3,094	3,257	2,128
Depreciation	61	1,155	1,216	1,162
Consultancy fees	25,596	10,340	35,936	11,815
Legal and professional fees	980	18,612	19,592	3,450
Audit and accounting fees	1,321	25,112	26,433	25,064
	<b>48,532</b>	<b>446,123</b>	<b>494,655</b>	<b>402,911</b>
<b>Allocated to</b>				
New Entrepreneurs programme	41,796	384,243	426,039	402,911
Think Tank programme	6,736	61,880	68,616	—
	<b>48,532</b>	<b>446,123</b>	<b>494,655</b>	<b>402,911</b>

Indirect support costs are allocated between raising funds and charitable activities based on estimated staff time. The allocation between the New Entrepreneurs programme and the Think Tank programme is based on estimated staff time for the five-month period following the transfer of the activities of the Centre for Entrepreneurs.

## 6. GOVERNANCE COSTS

	2018 Total funds £	2017 Total funds £
Audit and accounting fees		
Auditor's remuneration		
. Audit fees	7,020	6,777
. Non-audit fees	1,620	6,062
Accounting fees	17,793	12,225
Legal and professional fees		
. Transfer of Centre for Entrepreneurs	18,372	—
. Other fees	1,220	3,450
	<b>46,025</b>	<b>28,514</b>

In September 2017 the activities, staff and projects of the Centre for Entrepreneurs were transferred to NEF. This process required the charity to incur one-off legal and professional fees.

## 7. STAFF COSTS

Staff costs during the period were as follows:

	2018 £	2017 £
Wages and salaries	316,825	245,403
Social security costs	33,496	25,383
Pension costs	9,513	8,891
	<b>359,834</b>	<b>279,677</b>
<b>Relating to</b>		
Think Tank programme (note 4)	47,432	—
Support costs (note 5)	312,402	279,677
	<b>359,834</b>	<b>279,677</b>

One employee received remuneration of between £90,000 and £100,000 during the period (2017 – one between £90,000 and £100,000). Pension contributions of £7,500 (2017 – £7,500) were made in respect of this employee.

During the period the average number of staff was 7 (2017 – 6).

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis comprise the trustees, the Chief Executive Officer, the Chief Operations Officer, Programme Director Talent, Marketing and Communities (left in July 2017), Programme Director Learning and Partnerships and Director Centre for Entrepreneurs. The total remuneration (including taxable benefits but excluding employer's pension contributions) of the key management personnel for the period was £280,488 (2017 – £225,349).

During the period no Trustees received any remuneration or were reimbursed for expenses (2017 – £nil).

## 8. NET INCOME (EXPENDITURE) AND NET MOVEMENT IN FUNDS

This is stated after charging:

	2018 Total funds £	2017 Total funds £
Staff costs (note 7)	359,834	279,677
Auditor's remuneration (including VAT)		
. Current period fees	7,020	6,777
. Non-audit fees	1,620	6,062
Depreciation (note 10)	1,215	1,162

## 9. TAXATION

New Entrepreneurs Foundation is a registered charity and, therefore, is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

## 10. TANGIBLE FIXED ASSETS

	Computers and office equipment £
<b>Cost</b>	
At 6 April 2017	11,548
Additions	3,185
At 31 March 2018	14,733
<b>Depreciation</b>	
At 6 April 2017	8,376
Charge for the period	1,215
At 31 March 2018	9,591
<b>Net book value</b>	
As at 31 March 2018	5,142
As at 5 April 2017	3,172

## 11. DEBTORS

	2018 £	2017 £
Prepayments		
. Candidate recruitment	104,104	30,209
. Other	9,191	5,901
Accrued income	10,000	—
Gift aid receivable	24,188	12,875
VAT recoverable	—	13,251
Other debtors	20,900	—
	<b>168,383</b>	<b>62,236</b>

Candidate recruitment costs are recognised as expenditure in the year of enrolment. Costs incurred prior to the year of enrolment are recognised as a prepayment in line with the timing of the benefit received by the foundation.

## 12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Trade creditors	56,882	13,266
Taxation and social security	12,356	9,066
Accruals and deferred income	37,341	98,446
	<b>106,579</b>	<b>120,778</b>

Included with accruals and deferred income is deferred income as set out below. The amounts deferred related to contributions from sponsors where they have been received in advance for the next financial year. These donations have been treated as creditors relating to delivery of the next cohort of NEF participants for accounting purposes, however NEF has no contractual liability to return or refund donations in the event that NEF were to cease trading.

	2018 £
Deferred income brought forward at 6 April 2017	70,000
Additional income deferred in period	9,259
Deferred income released in period	(70,000)
Deferred income carried forward at 31 March 2018	<b>9,259</b>

### 13. DESIGNATED FUNDS

The Charity includes the following designated fund which has been set aside out of unrestricted funds by the trustees for a specific purpose.

	Balance at 6 April 2017 £	New Designations £	Utilised £	Balance at 31 March 2018 £
Designated fund - 2016/17 training programme	19,255	—	(19,255)	—
Designated fund - 2017/18 training programme	—	14,257	—	<b>14,257</b>
Designated fund - Centre for Entrepreneurs	—	297,344	(117,344)	<b>180,000</b>
<b>Total</b>	<b>19,255</b>	<b>311,601</b>	<b>(136,599)</b>	<b>194,257</b>

The designated training programme funds above relate to monies set aside to complete the training programme for 2017/18 candidates that is still ongoing at the period end.

The Centre for Entrepreneurs funds relate to monies set aside to enable the Think Tank research team to conduct and disseminate original research on the state of entrepreneurship and how to unlock the entrepreneurial potential in overlooked communities. It aims to publish two to four research publications each year.

### 14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 March 2018 are represented by:

	General fund £	Designated fund £	Total 31 March 2018 £
Tangible fixed assets	5,142	—	<b>5,142</b>
Current assets	223,140	194,257	<b>417,397</b>
Creditors amounts falling due within one year	(106,579)	—	<b>(106,579)</b>
<b>Total net assets</b>	<b>121,703</b>	<b>194,257</b>	<b>315,960</b>

### 15. LEASING COMMITMENTS

At 31 March 2018, the charity had the following future minimum commitments in respect of non-cancellable operating leases:

	Land and buildings	
	2018 £	2017 £
Operating leases: payment due within one year	<b>17,400</b>	<b>1,998</b>





## 16. RELATED PARTY TRANSACTIONS

During the period the charity received donations of £10,000 (2017 - £10,000) from trustees.

There were no other related party transactions which required disclosure (2017 - none).

## 17. CENTRE FOR ENTREPRENEURS

The charity's objects were amended in September 2017, following which the activities, staff and projects of the Centre for Entrepreneurs were transferred to NEF to enable the charity to deliver on their wider objects.

Following the amendment of the charity's objects and the transfer of the projects of the Centre for Entrepreneurs into the charity, the charity's objects and activities have broadened to encompass entrepreneur development programmes, entrepreneurship research, community development and input into government policy on entrepreneurship and business startups.

No assets or liabilities of the Centre for Entrepreneurs were transferred with the activities, staff and projects to the New Entrepreneurs Foundation.





## Annual Report and Financial Statements

Financial Year **2017/2018**

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