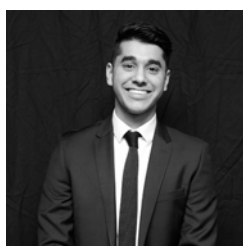
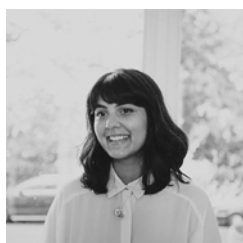
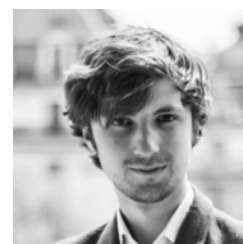


Developing Entrepreneurial Leaders
of the Future

ANNUAL REPORT & FINANCIAL STATEMENTS

Financial Year 2016/2017



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1. Legal and Administrative Information

Trustees:

Oliver Pawle (Chairman)
Deirdre Stirling (Secretary)
Elisabeth Scott
Andrew Joy
Joseph Hubback
Chris Wigley

Registered office:

Huckletree
Alphabeta Building
18 Finsbury Square
London
EC2A 1BR

Company secretary:

Deirdre Stirling

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 endeavors.

Premium Corporate Donors



Corporate Donors



Fellowship Donors

Sir Theodore Agnew, Chairman and Sponsor, Inspiration Academy Trust and Lead Non-Executive, Ministry of Justice; **Ian Armitage**, Co-Founder, Isfield Investments LLP; **Lord Davies of Abersoch**, Chairman, Corsair Capital; **Lloyd Dorfman**, Founder and Chairman, Traveler; **David Gregson**, Chairman, The Lawn Tennis Association and The Karma Group; **Andrew Joy**, Senior Advisor, Stonehage Fleming; **Sir Keith Mills**, Ex-Deputy Chairman, LOCOG; **Jon Moulton**, Founder and Partner, Better Capital; **Rajal and Rohit Patni**, Founders, Lavanya Plus Ltd; **Oliver Pawle**, Chair, Board Practice, Korn Ferry; **David Pearl**, David Pearlman Foundation; **Mark Pritchard**, Founder, Allied Minds; **Gerald Ronson**, Gerald Ronson Foundation; **Sir Nigel Rudd**, Chairman, Business Growth Fund; **Sadell Fellowship Funder**; **David Tibble**, Partner, Warburg Pincus; **Jean-Baptiste Wautier**, Managing Partner, BC Partners; **The Hon. Charles Wigoder**, Executive Chairman, Utility Warehouse.

Gifts in Kind



NEF Alumni Donors

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

Corbyn Munnik (2013) – Equity donation in Sliide

Guy Riese (2015)

Max Grell (2016)

Supporters

We are also grateful to the many partner organisations and individuals who support our work:



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.

2. Trustees' Report

The trustees present their statutory report together with the financial statements of The New Entrepreneurs Foundation for the year ended 5 April 2017.

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 49 to 52 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 aim of the New Entrepreneurs Foundation is to develop the entrepreneurial leaders of the future who will go on to build high-growth, sustainable businesses, which will contribute positively to the UK economy by creating jobs and employment.

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	14th December 2010
Deirdre Stirling	22nd July 2011
Elisabeth Scott	28th June 2012
Andrew Joy	21st June 2013
Joseph Hubback	27th November 2014
Chris Wigley	24th March 2016

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.

In the financial year 2016/17, Trustees met five 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

The Foundation has six full time employees: Neeta Patel is CEO, and is responsible for developing (jointly with the Trustees) the longer-term strategic direction of the Foundation, and for overall leadership of the Foundation. She is supported by a team comprising Richard Cull Thomas, Chief Operations Officer (appointed December 2016), Véronique Rapetti, Programme Director, Learning and Partnerships, Felix Schuchter, Programme Director Talent, Marketing and Communities; James Powell, Operations Manager, Bex Rose, Operations Assistant (resigned in January 2017) and Simran Poole, Operations Assistant (appointed in February 2017).

The Trustees consider that they, together with the CEO, Chief Operations Officer, Programme Director, Learning and Partnerships and Programme Director, Talent, Marketing and Communities 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 based on the Humanus Group'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 Voluntary sector, which covers 159 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.

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.

Introduction

The trustees review NEF's strategic aims and objectives each year and conduct a review of changes in the external entrepreneurship landscape in the UK to track NEF's progress and positioning within the landscape. Each year, new initiatives and new organisations enter the market to provide support to aspiring entrepreneurs.

Within this crowded landscape, the trustees are satisfied that NEF retains its unique positioning and offer. The impact of the NEF's programme on the participants has been significant, as our Alumni's achievements attest. We are confident that our focus on providing participants with the combination of high quality educational support and hands-on experience is encouraging them to launch new and ambitious businesses which will have a positive long term impact on the UK.

The trustees are delighted with the performance and achievements of the Foundation. We are particularly grateful to all our donors and supporters for their active engagement and support.

2.3 Objectives and Activities

Objectives

The Foundation's objectives are to provide bright, young, aspiring entrepreneurs with hands-on work experience in high-growth companies together with a formal learning and development programme in entrepreneurial start up skills, personal coaching, business mentoring, and access to business networks.

Main Activities

The Foundation engages in five main activities:

1. Selecting up to 50 aspiring young entrepreneurs (NEFers) each year, and placing them in fast-growing companies on a one-year paid placement. The candidates work alongside the CEOs and the Senior Management teams in these companies to develop their own start up skills and get hands-on experience of managing a growing company.
2. Delivering an intensive learning and development programme to enable the young entrepreneurs to develop and launch a new venture/business. The programme encompasses the 'hard' skills required to launch and manage a new business, such as finance, strategy, sales, negotiation, business planning and pitching for investment, as well as personal development skills such as self-awareness, selecting and building teams and developing resilience.
3. Providing access to networks through monthly speaker events with established business leaders, successful entrepreneurs and rising-star entrepreneurs.

4. Providing business mentoring from established entrepreneurs and business leaders. Providing personal one-to-one coaching support (with qualified coaches) to the candidates during the year.
5. Encouraging the candidates to participate in outreach activities in their communities, schools and with other charities.

Public Benefit

When setting the 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.

2.4 Achievements and Performance

The year 2016/17 was NEF's sixth full year of operation. Six cohorts (198 candidates) have been through the programme. The key achievements of the first six cohorts are shown below.

Highlights and Achievements in Numbers (2011-2017)

In the previous year, we reported that NEF Alumni had launched 62 live ventures, had raised £10.98 million in seed funding, and had created over 650 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 **92 ventures** that are currently live.
- These companies have created over **1,000 new jobs** (full time and part time).
- Collectively, they have raised over **£27,000,000** in early stage seed funding for their ventures.

2.5 Activities for the Class of 2017

Recruitment of the Class of 2017

For the Class of 2017, NEF received **335** applications. We selected 51 candidates, and 44 started on the programme in September 2016 and graduated in June 2017.

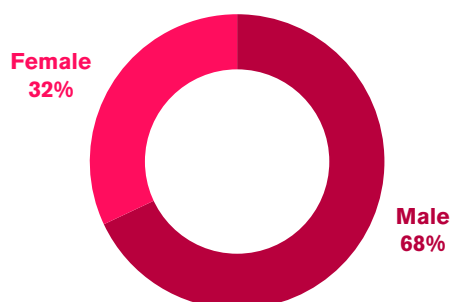
Class of 2017 – Candidate Profiles

Of the 44 candidates who started on the programme in September 2016, **14** were female and **30** male. They came from diverse backgrounds and education experience, and spanned a 7-year age range (Ages 22 – 29).



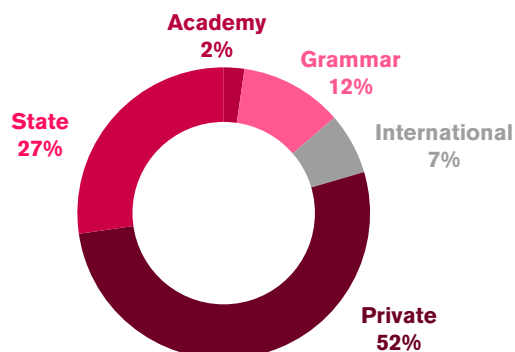
The NEF Class of 2017 on their graduation day (June 2017), with NEF Trustees and Executive Team

Profile of the Class of 2017



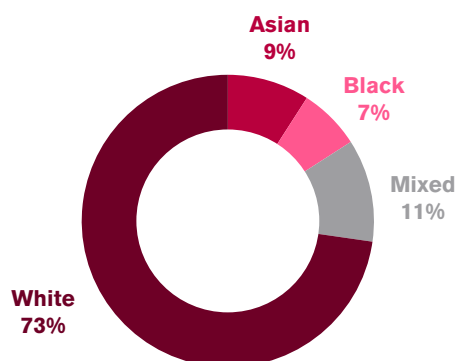
GENDER:

The female/male ratio for the Class of 2017 was 32% : 68%.



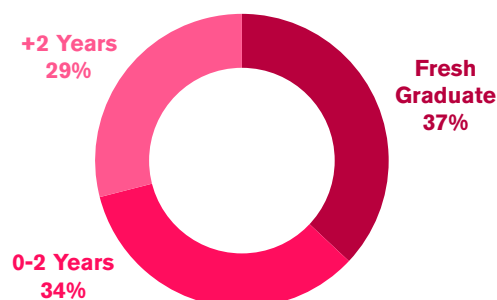
SCHOOL TYPE:

41% of this cohort attended state-schools (this includes grammar schools and academies). Just over half were privately educated with a further 7% having attended international schools.



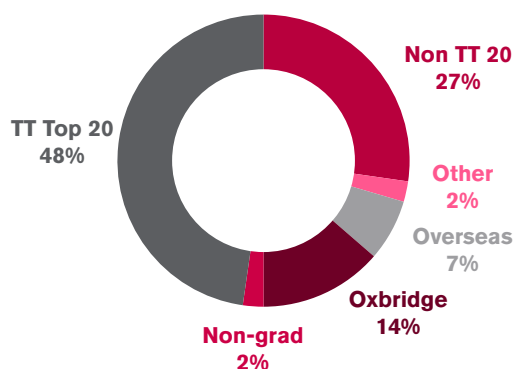
ETHNICITY:

Ethnic minorities and NEFers of mixed background make up 27% of the Class of 2017. The rest of the class are white British/other.



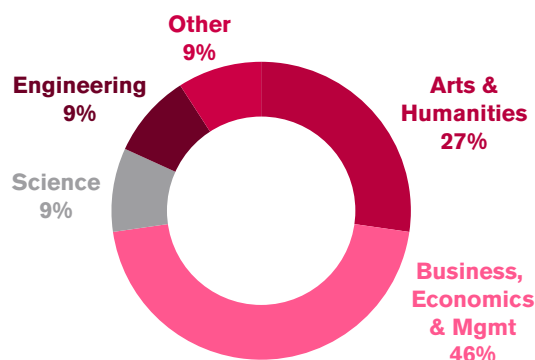
EXPERIENCE LEVEL:

37% of the Class of 2017 joined the programme straight out of university. 63% had at least one year of prior experience and almost a third of the total class had more than two years of experience.



UNIVERSITY TYPE:

Almost half of the candidates were drawn from Times Top 20 Universities, and about a third from other UK Universities. Oxbridge candidates made up 14% of the cohort and a further 7% came from EU and overseas institutions. 2% of the cohort did not hold a university degree.

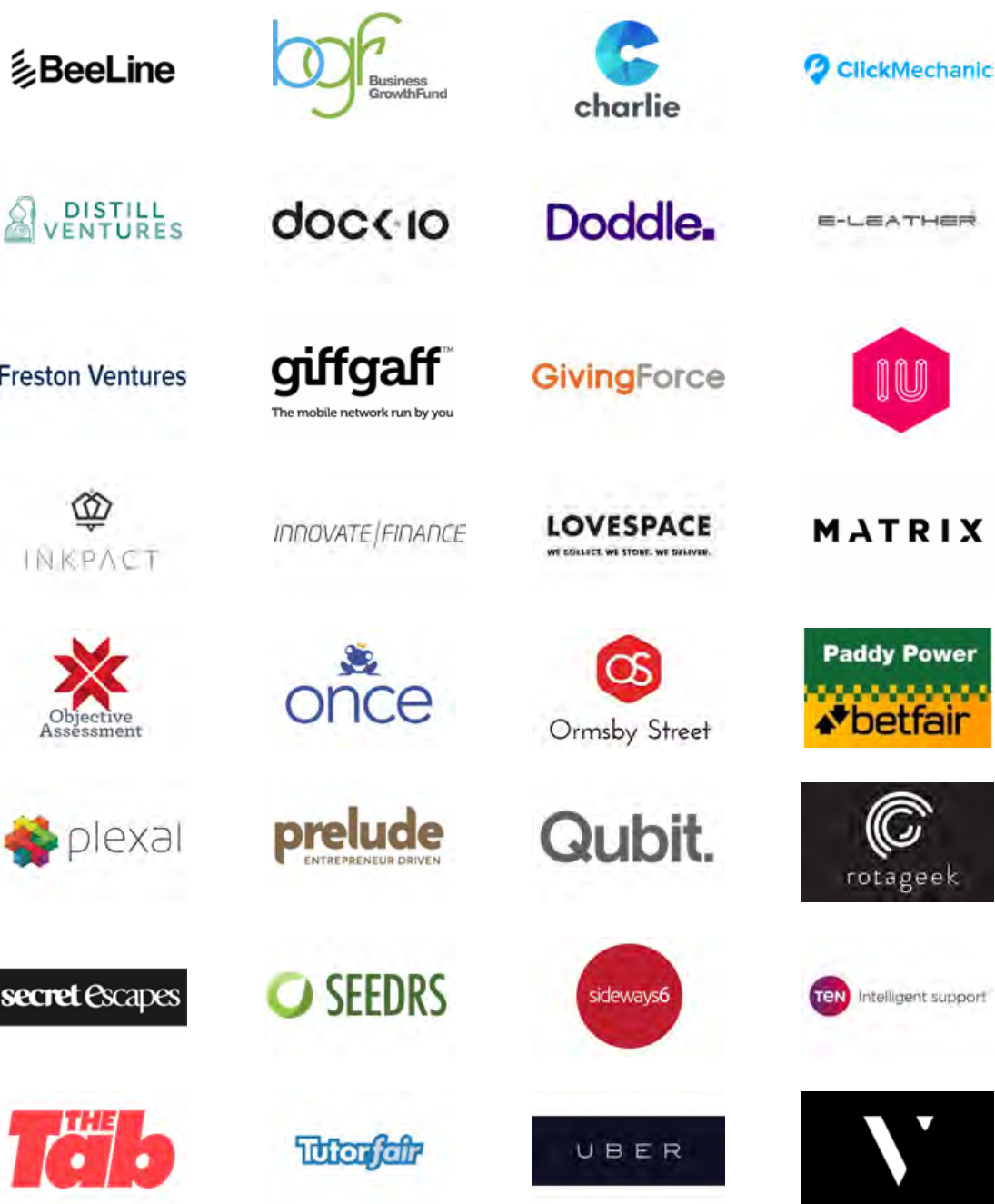


DEGREE TYPE:

The majority of the Class of 2017 hold Business, Economics or degrees in Management. The second largest group hold Arts & Humanities degrees. 18% of this cohort hold Science or Engineering degrees.

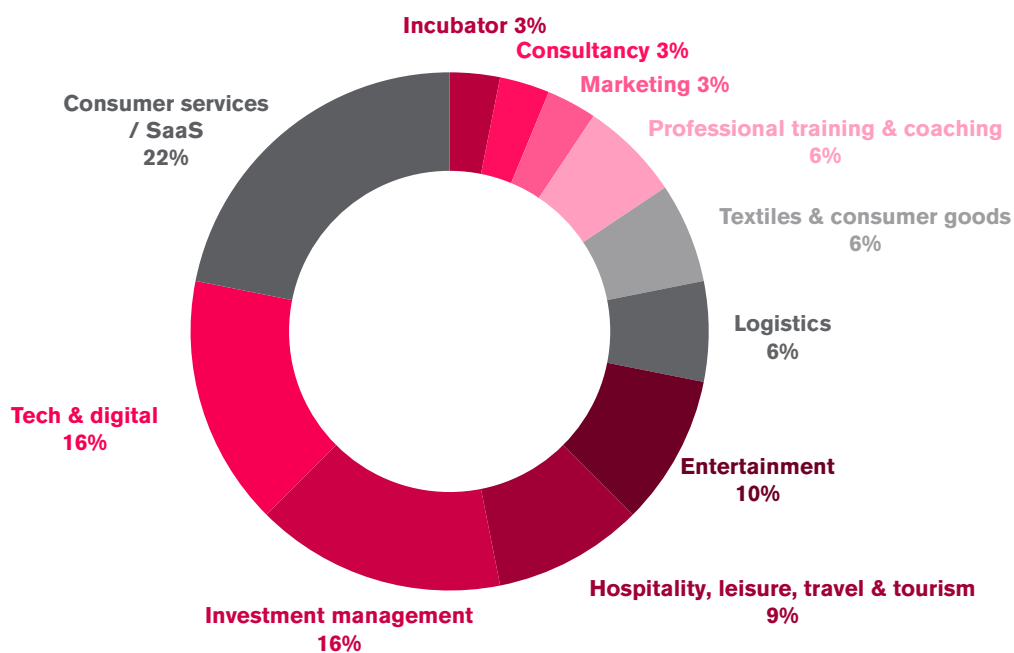
Host Companies for the Class of 2017

The Class of 2017 cohort 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. These were our 2017 host companies:



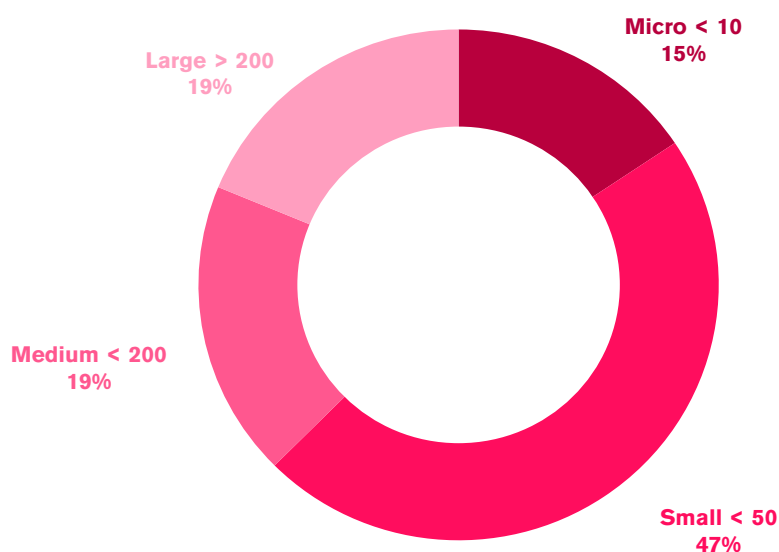
Host Company Industry

NEF continues to provide a diverse range of ventures across multiple sectors for our NEFers to work in while on the programme. This year, the majority of NEFers worked in Consumer Services/SaaS followed by the Technology and Digital sector and Investment Management.



Host Company Size

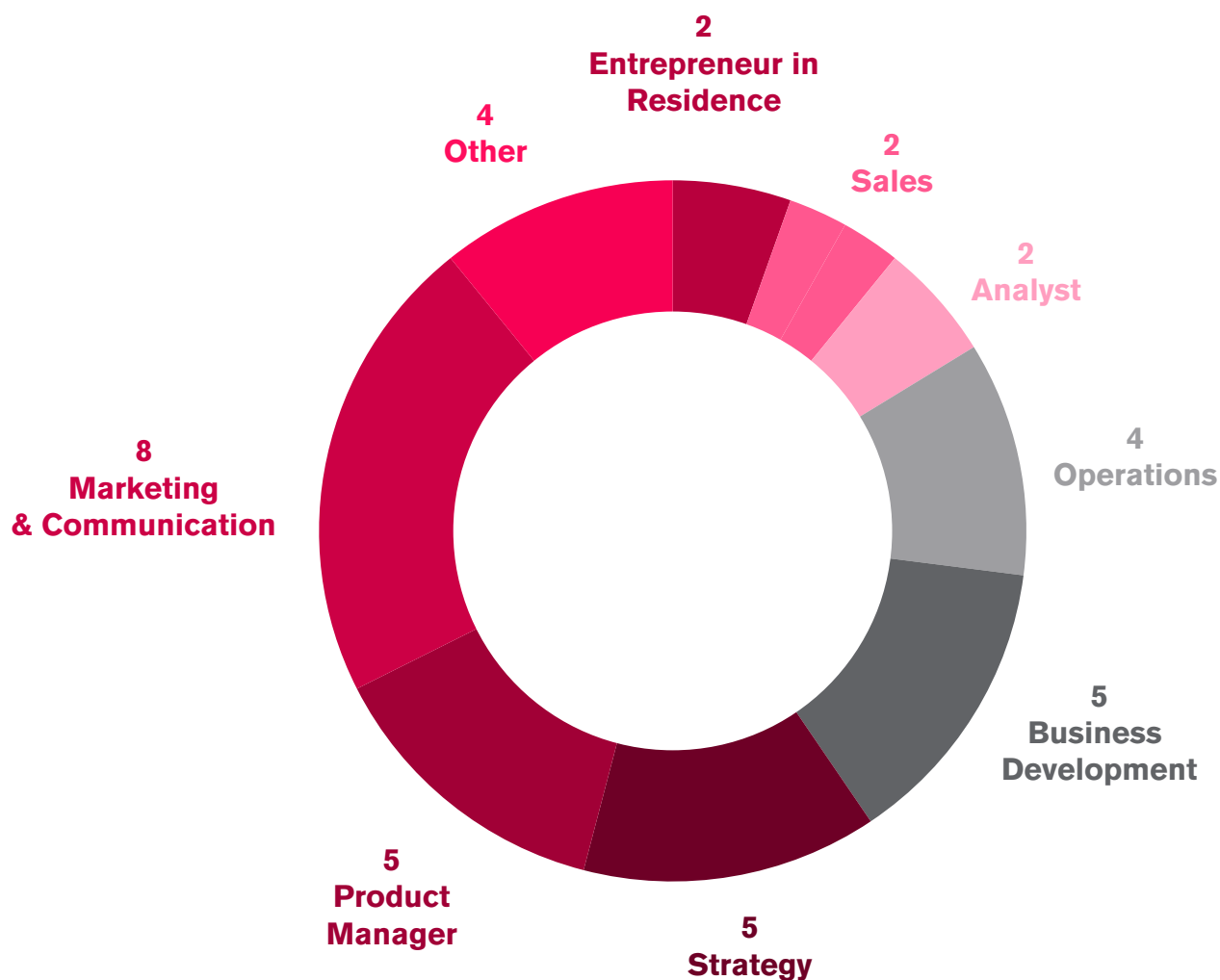
This year almost half of NEFers were placed in smaller companies with fewer than 50 employees.



Types of Role NEFers Performed in their Host Company

While NEF offers a diverse range of industries and companies to work within, the roles that NEFers take on are similarly varied.

Marketing & Communications roles represent the largest segment of placement roles, followed by roles in business development, product management and strategy. 16% of NEFers were self-sponsored, meaning they worked full-time on the ventures they had founded.



A total of 37 NEFers were placed with host companies; the remaining 6 members of the cohort were self-sponsored, working on their ventures full-time

2.6 NEF Fast-Track Learning Programme

Learning Workshops

The year 2016/17 was our 6th year of running the learning and development programme for the cohort. They attended a total of 21 days of formal training workshops, representing 168 hours of training.

Our unique fast-track learning programme not only helps build the business-critical skills required for launching a business (such as opportunity evaluation, managing financials, prototyping, marketing, sales and investor readiness), but it also provides the much-needed personal skills (such as pitching and presentations skills, developing brands, building teams and being resilient) for becoming a successful entrepreneurial leader.

Ratings of Workshops

In 2016/17 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 4.3 out of 5 (all scores out of 5).

We also asked the cohort to rate the workshops for their usefulness as they develop and launch their ventures: they rated 20 out of the 24 workshops delivered at 4 and above. The chart below shows the scores for each workshop.



Candidate Feedback on the L&D Programme

“Useful for taking action” (Negotiation workshop)

“...learned lots of practical skills; meaning of agile, working with developers, applying sprint methodology” (Web Development workshop)

“Thank you so much, such a helpful and practical day” (How to Pitch workshop)

“Very practical framework (it) codified what I’ve been doing.” (LBS workshop on timing your pitch)

“Amazing super interactive workshop; good content, engaging” (Effective Idea Design)

“I learned about different stages of funding and how to construct pitch and investment decks” (UCL workshop on Entrepreneurial Funding)

Pitch Days 2016

The culmination of the NEF year for the cohort are pitch days held in June where they present their business ideas to panels of VCs, Angel investors, entrepreneurs and business leaders. For the class of 2016, we ran 2.5 days of pitches with 23 presentations, to 30 judges who attended the pitches.

Each year, David Pearl, Chairman of Pearl & Coutts and founder of the David Pearlman Charitable Foundation offers a £10,000 prize for the winner(s). The first prize was awarded to Mihaela Gruia for her Research Retold business (<http://www.researchretold.com>), the second prize went to Sam Knight, Founder, Pollen8 (<http://pollen8.io>) and the third prize winner was Guy Riese, Founder, Uplearn (<https://uplearn.co.uk>).



Pitch Prize Winner Mihaela Gruia (r) with David Pearl at the NEF Summer Party 2016

New learning initiatives introduced in 2016/17

A key challenge each year is to maintain the high quality of our learning programme and to adapt it to the changing needs of each cohort, as well as making sure to keep the content 'leading edge' and current in the fast-moving entrepreneurial education space. We review the content, benchmark with other learning providers and introduce new and experimental initiatives to enhance the overall offer. In 2016/17, we introduced new initiatives based on our knowledge and understanding of how entrepreneurial education evolves. These included:

- **Collaboration Workshop:** we trialled a new type of workshop to create more collaboration opportunities among the cohort. The half-day workshop encouraged the cohort to work together by creating working groups around sectors of interest and agree how they could help each other to achieve their goals.



Action from the first NEF collaboration workshop

- **Peer to Peer Training:** Peer to Peer training has been recognised as an important part of entrepreneurial learning initiatives and has now become part of our overall learning schedule. We delivered two new initiatives where we invited alumni to run some of the learning sessions.

- ▶ We held 3 “Alumni Spotlight” sessions with alumnus Ari Ratnakumar (2014) and co-founder of We Are Wiser Group. Ari shared his entrepreneurial journey, provided tips on how to scale a business, and worked with the cohort on their business ideas and pitches.
- ▶ Two learning workshops were delivered by NEF alumni. Mike Bandar, (Class of 2012) led a workshop on “Effective Idea Design”, and Emma Walker (Class of 2013) presented a workshop on “Growth Marketing”.



Sam Jones and Oyinda Bamgbose (Class of 2017) networking at the NEF Speaker Series

- **Legal Seminars:** We organised two interactive Q&A sessions around the legal aspects of setting up and launching a business. Both sessions were delivered pro bono by experts from lawyers Harbottle and Lewis LLP.
- **NEF Educate:** The NEF Alumni council launched a learning initiative called NEF Educate to provide additional learning sessions to the alumni community. The topics are selected based on feedback from alumni. Two sessions were delivered covering tactics for early stage fund raising and smart tips for startups to maximise their PR opportunities.
- **Coaching:** Our unique Executive Coaching Programme, chaired by Linda Aspey, a senior experienced coach and former Chair of the British Association of Coaching Professionals (BACP), continued through the year and the panel of carefully selected coaches grew to 43 professionals. All the coaches, who are senior, qualified executive coaches, gave their time pro bono.

This year we also ran a CPD (Continuous Professional Development) workshop for our coaches. The workshop was on "Entrepreneurship, Mindset and Influence". It was a day of stimulating discussion and insights for the NEF Coaches, covering:

- ▶ Stories from the millennial entrepreneur's mindset
- ▶ An overview of technology and its role in shaping how young people live, work and communicate
- ▶ Practical ideas, strategies, and advice on blogging to promote your own business

- **Mentoring:** As the cohort progresses through the year and starts to develop their business ventures, we match them with a 'principal' business mentor and provide access to a pool of 'expert' mentors.

"NEF really stands out from similar programmes because of the highly motivated and smart entrepreneurial talent it attracts. A combination of work experience and tailored mentoring is a good way to support candidates in whichever direction they'd like to go in."

FELIX ROSSKNECHT, NEF MENTOR
– (2016/17)

In 2016/17, our panel of business mentors grew to over 50 people. The mentors are successful entrepreneurs, business executives and senior staff from our donor organisations. Experts in their respective fields, the mentors provide honest advice and actionable feedback to our aspiring entrepreneurs. In 2016/17, our volunteer mentors offered over **250 hours of business mentoring.**

"Being a NEF mentor is a great opportunity to 'give something back' personally and become part of a unique entrepreneurial family. You learn as much as your young entrepreneurs!"

DAVID ROSE, NEF MENTOR
– (2014-2017)

For the second year, Tirdad Sorooshian chaired the panel of mentors. Tirdad is the Co-Founder and Managing Director of Acclaria UK Ltd and an experienced business mentor.

2.7 The Power of the NEF network

Throughout the year we provide opportunities for businesses and entrepreneurial talent to network. Our key activity in this area is through providing regular speaker events inviting our donors, supporters and alumni community.

This year we hosted five speaker events with an average attendance of 100 people. We invited established entrepreneurs and business leaders to discuss the highs and lows of their business experience. Some of the speakers we hosted this year were:

Brent Hoberman, Founders Forum; **Daniel Priestley**, Dent; **Emma-Jane Packe**, Prelude Group; **Erik Fairbairn**, POD Point; **Karen Kerrigan**, Seedrs; **Lara Morgan**, Angel investor; **Melanie Goldsmith**, Smith and Sinclair; **Nic Brisbane**, Forward Partners; **Nick Wheeler**, Charles Tyrwhitt; **Oli Barrett MBE**, Cospa; **Phil Davies**, Astley Baker Davies; **Ricky Knox**, Tandem Bank; **Ruth Handcock**, Tandem Bank; **Sharmadean Reid MBE**, WAH Nails; **Sian Sutherland**, Mamma Mio.



Nick Wheeler (l), CEO, Charles Tyrwhitt and Phil Davies, Producer and Creator, Astley Baker Davies Ltd. – speaking at the 16th March 2017 NEF speaker event – 'Brands Without Borders'

In addition to our speaker events, we hosted two recruitment events, **'Start your Entrepreneurial Journey with NEF'** and **'Lean in and Launch: Why We Need More Female Entrepreneurs'**. For these events we invited aspiring entrepreneurs to meet with the NEF community and hear why the programme would be right for them.

'Start your Entrepreneurial Journey with NEF'

focused on early-stage entrepreneurship and how to get started in launching a business. We invited five NEF alumni, who are running their own businesses, to share their stories of why they chose entrepreneurship as a career path. They were:

- **Ari Ratnakumar** (Class of 2014), We Are Wiser;
- Charlotte Pearce** (Class of 2015), InkPact;
- Hamish Grierson** (Class of 2012), Thriva;
- Mike Bandar** (Class of 2012), Turn Partners;
- Quin Murray** (Class of 2015), Krzana

'Lean in and Launch' was a recruitment event aimed at aspiring female entrepreneurs. This is the third consecutive year we have hosted this event and this year we saw our highest-ever attendance. Chaired by alumna **Rebecca Ellul** (Class of 2014 and Alumni Council member), the event encouraged the attendees to choose entrepreneurship as a viable career path. Our panel for the evening was:

- **EJ Packe** - Managing Director of Prelude Group;
- Sharmadean Reid MBE**, WAH Nails;
- Melanie Goldsmith** Co-Founder & Director of Smith & Sinclair



NEF CEO, Neeta Patel (l), NEF Alumna Rebecca Ellul (Class of 2014), Melanie Goldsmith, Co-Founder of Smith & Sinclair, EJ Packe, Managing Director at Prelude, and Sharmadean Reid MBE, at the NEF women's recruitment event 'Lean in and Launch'

2.8 Events

London Stock Exchange Group: Market Opening Ceremony

On 28th October 2016, NEF's trustees, Alumni founders and other guests were invited to open trading at the London Stock Exchange by Diane Côté, Chief Risk Officer, London Stock Exchange Group and Vice-Chair of London Stock Exchange Group Foundation. The event was followed by a panel discussion on the funding gaps for start ups, where it was announced that one of the NEF start ups, We Are Wiser was selected to join the prestigious LSEG Elite Growth Programme.



NEF Chairman Oliver Pawle & CEO Neeta Patel open trading on the London Stock Exchange floor

NEF Ventures Showcase

On 5th December 2016, Nat West hosted the first NEF Business Ventures Showcase, where 34 NEF Ventures exhibited and 11 Founders pitched to an audience in parallel. The event was developed to promote and showcase the various NEF start ups and their founders. Over 200 people attended including VCs, Angels, Sponsors, NEF donors, NEF trustees, Government representatives, the press and many more guests from the NEF community and network. Ventures presented were from a wide range of sectors including: Food & Drinks; IT & Services, SaaS; Marketing, Advertising & PR; Retail & Consumer Goods; Social Enterprise; Technology.



Natasha Goldstein (Class of 2017) presenting at the showcase event



Simon Carty (Class of 2016) at the showcase event



NEFer venture Stand4Socks products at the showcase event

CVC Young Innovators Award 2016:

For the second year, CVC Capital Partners exclusively partnered with NEF and ran a private pitch evening to award grants to help our NEFers with their business.

These awards are an opportunity for founders and their businesses to secure seed funding, get a year's dedicated support from CVC staff, and to pitch their businesses to senior executives at CVC. The event was held on the 12th July 2016, and the following NEFers were selected to pitch for the Award: Josh Turner (Class of 2014), Alex Somervell, Guy Riese and Mihaela Gruia, all three from Class of 2016.

The quality of the pitches was so high that CVC decided to award two prizes of £10,000 each, and offered one-year CVC support to the other candidates. The two winners were: Alex Somervell with his business 'OneThird Stories' and Guy Riese with 'UpLearn'.



Judy Marsden (L) Director of Philanthropy at CVC Capital Partners, with NEFers, Mihaela Gruia (Class of 2016); Josh Turner (Class 2014); Guy Riese (Class of 2016), Jonny Pryn and Alex Somervell (Class of 2016) and NEF CEO Neeta Patel at the CVC Young Innovator Awards

2.10 NEF's Community Outreach Programme

We encourage our cohort and alumni to go out into society and give back. We are delighted that so many NEFers do give back and do so in many commendable ways. In the last year alone they have spent over 1,400 hours working in their community, actively supporting many worthy causes.

Many of our NEFers work with a variety of charitable organisations across the UK and beyond to bring much needed positive change. Organisations they worked with this year include 2nd Chance, Tutorfair Foundation, WATCH, Young Enterprise, Techfugees and GoodGym. NEFers have volunteered in many ways, from helping refugees through leveraging tech, to helping people from disadvantaged backgrounds access higher education, employment and clean water.

Eliot Brooks (Class of 2014) works with Into University, which helps young people from disadvantaged backgrounds to access higher education.

Claire Rampen (Class of 2017) raises money for various charities and a local soup kitchen. Claire also teaches English to a young man from Syria once a week and visits elderly women in order to combat isolation and loneliness.

Anthony Silver (Class of 2013) ran a workshop for the 2nd Chance programme which gives 18 to 24-year-olds a second chance at education. Anthony mentors a 19-year old who has completed the programme and is now moving into further education and employment.

Lucy Kerr (Class of 2015) gives career talks at schools to excite young people about the tech and the startup world. She is a volunteer tutor for the Tutorfair Foundation and a mentor at Lean In where she helps run focus groups on personal development to empower women to achieve their professional ambitions.

Gigi Etienne (Class of 2017) recruited a group of volunteers for WATCH (We Are The Children) and co-organised a trip to Cartagena, Colombia. There they ran workshops for 100 local children, provided school supplies and clean water access to the village.

Carlo Minciocchi (Class of 2015) works with Young Enterprise and spends three to four hours a week mentoring students on businesses at a North London school.

Joséphine Goube (Class of 2012) is the COO of Techfugees, which mobilises the international tech community to respond to the refugee crisis.

Through their blog, Beyond Profit, **Katarina Tencor and Matt Pullen (Class of 2017)** promote the importance of mission-driven businesses.

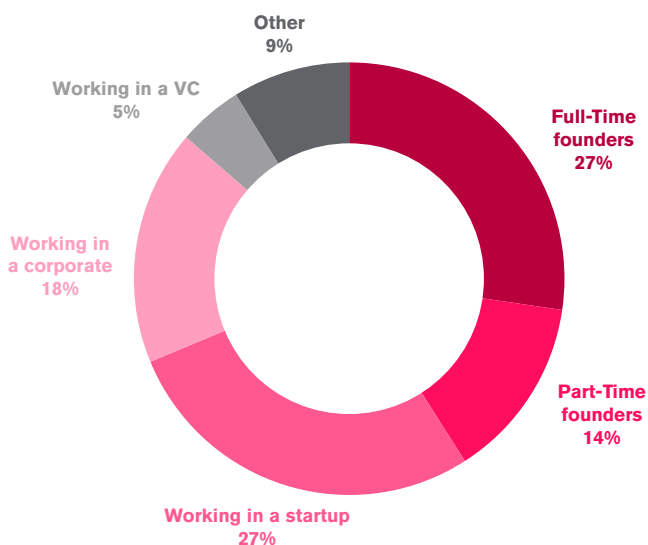
In October, NEF alumni **Nikita Thakrar (Class of 2013)** and **Mike Bandar (Class of 2012)** travelled to Sudan with the British Council where they provided training and mentoring for budding entrepreneurs on the Mashrouy startup programme. Later in the year, Mike returned to Africa and facilitated a startup bootcamp in Nigeria as part of the British Council's 'Enterprise Africa' initiative. Collectively, the programmes supported over 155 startups from various industries.

2.11 NEF Alumni – where are they now?

We now have **nearly 200** Alumni of our programme.

We track their progress each year and the data below gives a general breakdown of the sectors they are currently employed in. It is promising to see that 41% of Alumni are working as either full or part-time entrepreneurs.

The remaining Alumni are predominantly working in start ups, with a small proportion working in corporates, venture capital firms or other sectors.



NEF Alumnus Jason Gibbs at an NEF Speaker Series event March 2016

3. NEF Impact Report

Our impact monitoring comprises two key measures, reflecting our focus on both entrepreneurial and educational outcomes. As an entrepreneur development organisation we measure how many candidates go on to 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.

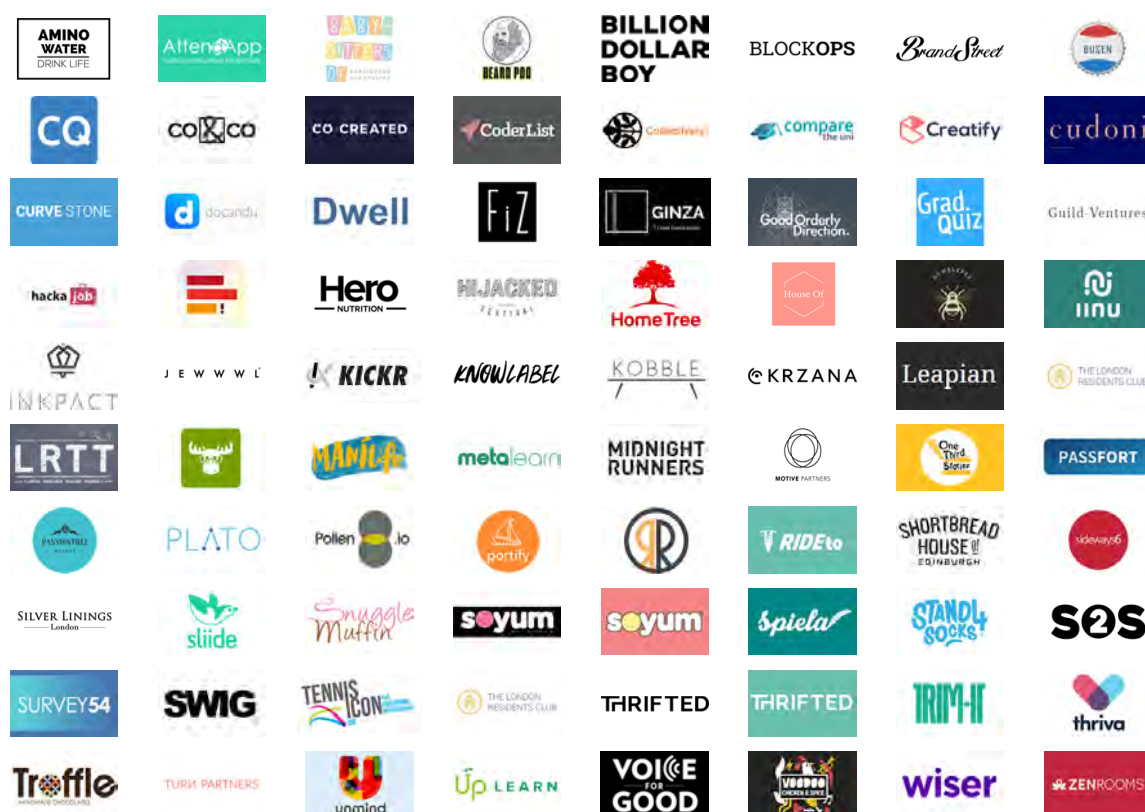
We monitor new ventures launched directly through candidate tracking, and the second area is measured each year through an independent structured impact study, conducted by Dr Chris Coleridge at Judge Business School, University of Cambridge.

3.1 NEF Ventures, Jobs created and Investment raised

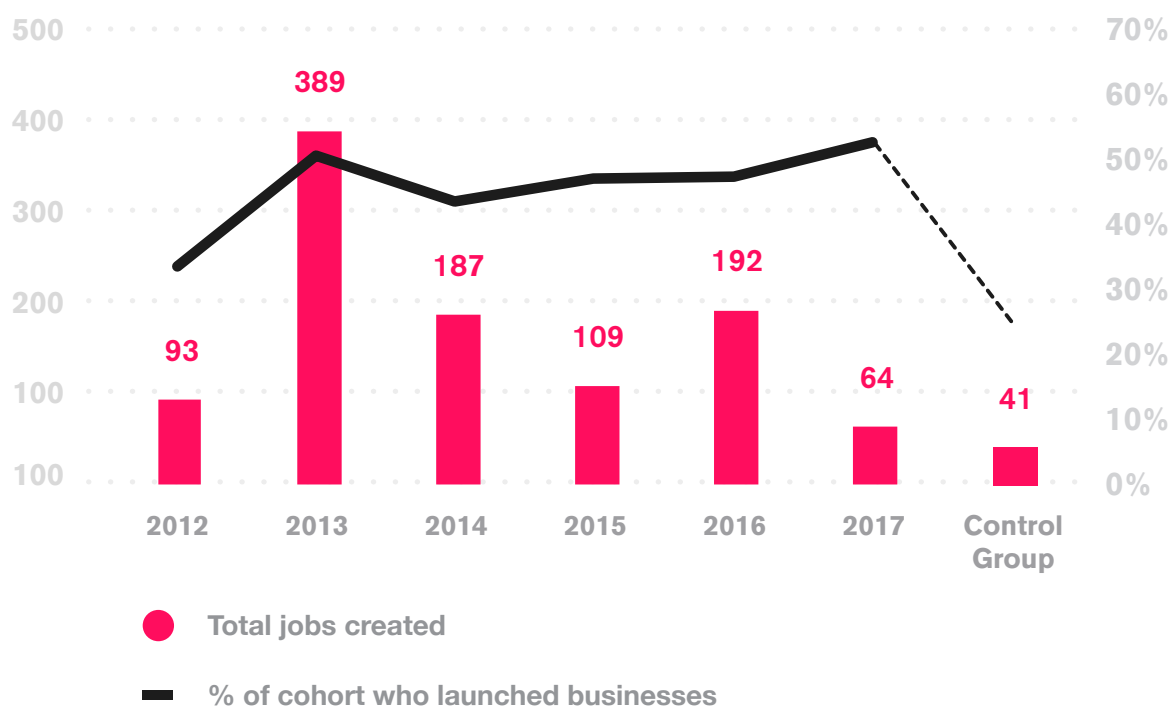
Over 40% of our Alumni are working as full- time or part- time entrepreneurs, and have launched over 100 new ventures in the last six years. As of July 2017, our NEFers have:

- Launched **92** live ventures (over 150 launched in total)
- Created over **1,000** jobs (547 full-time, 487 part-time)
- Raised over **£27,000,000** in seed funding for their ventures over the last five years. This has been in the form of seed investment, loans and competition money.

The new ventures are in a broad range of sectors, from e-commerce and food to data, design and finance. These are some of the live NEF ventures:



3.2 Percentage of each Cohort launching Ventures and Jobs created compared to a Control Group



We track all our alumni each year to see how many go on to launch businesses, raise investment and create real jobs. The percentage that do varies from year to year and, on average across six cohorts, about 40% have launched businesses. We expect that this chart will change with time and anticipate more people from earlier cohorts to leave their full-time jobs and create new ventures.

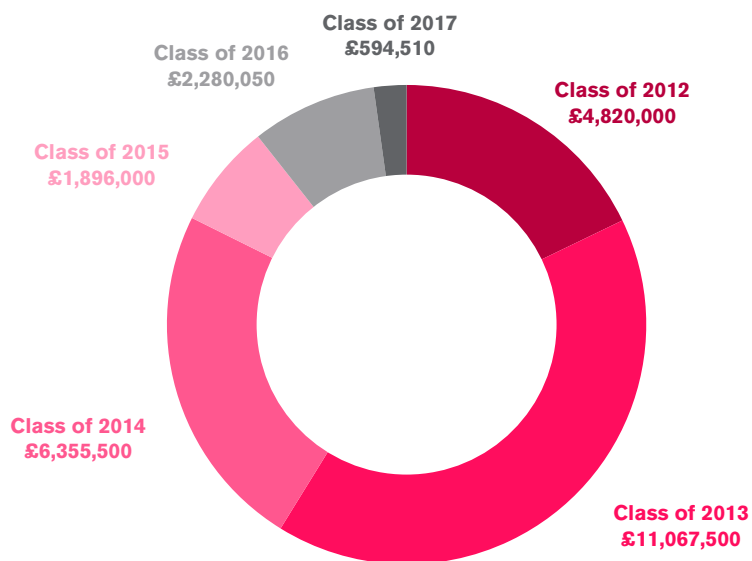
We compare their progress with a control group of interviewees each year. Members of the control group are randomly selected from people who applied to join the NEF programme and succeeded in getting to the last 100/120 selection panels but were either not selected or turned down the offer of a place. Although the sample size of the control group is smaller each year than the alumni group, early results are showing marked differences in ambition, the confidence to start businesses and the number of businesses created between NEF alumni and the control group.

Investment raised by NEF alumni ventures is a key indicator of the confidence of the investment community in the quality and potential of NEF businesses.

We have seen a significant increase in funding of NEF-led businesses in the year to July 2017, rising from £10,987,500 to £27,013,560 – a year-on-year growth of 146%.

Earlier NEF cohorts are realising increasing funding and investment as their businesses mature, reflecting the ongoing viability of these ventures. There are encouraging signs of growth from later cohorts, which bodes well for future years.

Investment raised: total £27,013,560



Cumulative investment raised, by cohorts, to July 2017

3.3 Results of the third independent Impact Study

The third phase of the longitudinal study of the impact of the NEF programme on participants was conducted, once again by Dr. Chris Coleridge of the Judge Business School, University of Cambridge in July 2017.

The study builds on the findings of the previous two studies, and the methodology used was a combination of 10 in-depth interviews with randomly selected candidates from the Class of 2017, as well as a further eight interviews with a 'control group', that is, people who applied to the NEF and made it to the final 100 selection stage, but were not offered a place, or they were offered a place but declined it.

In addition, 35 members of the class of 2017 completed separate questionnaires about their 'before and after' experience.

In total, 128 'before and after' questionnaires and 66 in-depth interviews with NEF Alumni, and 28 questionnaires and 30 in-depth interviews with the control group have

informed the findings of this three-year research. The study also assessed the impact of the programme on behaviours, skills and confidence.

The key highlights on skills, behaviours, ambitions and confidence from this third study are:

Summary of results

New business and job creation

The study showed that NEF candidates are more likely to start a business than the control group. Over 40% of those embarking on the programme have live businesses at the end of it; and these figures have been higher for the Class of 2015 (60%), Class of 2016 (50%) and for the graduating Class of 2017 (57%). Among those in the control group, the rate of live businesses was much lower; among the 50 individuals surveyed, only 13 (26%) had launched businesses which had created 41 jobs.

Entrepreneurs encouraged

In the first phase of the study, we found that 79% of NEF Alumni who were not already running a business full time reported that they were more likely to start businesses as a result of their participation on the programme. This finding was sustained in phase two of the study, with 80% of the Alumni interviewed reporting that they were more likely to do so. In the third phase of the study, even more convincing data came to light:

When asked to rate, in percentage terms, their likelihood of starting a business in the next 25 years, the average answer from the Class of 2017 was 96%.

However, the real shift came about in the participants' medium- term intentions. At the start of the programme, their self-reported certainty that they would start a business within three years was 33%. By the end of the programme, this had nearly doubled to 60%. This shift was echoed consistently across the interviews conducted.

Some comments from Alumni not currently running a business full time include:

“NEF definitely fast-tracked what I was planning to do, brought it forward by a number of years. The story... why put it off, do it now. Having that support network and seeing other people do it gets you to do it faster. NEF was backing me so I felt I could do it.”

“Now I’m constantly thinking about entrepreneurialism and this took away my fear about starting up. It gave me a sense of destiny. There are a lot of people out there who have a business idea but have never looked into it. Now I know how to actually do it and I know that I will.”

“The real difference is in how I execute on the ideas. Before (NEF), I had a hundred ideas for businesses, but didn’t take any of them out of the house. Since NEF, I’ve pared back the number of ideas but I’m more serious about the ones I’ve had.... I’ve researched 3-4 more deeply, two of which properly, pitching one and currently building a revenue model for another.”

Among the 37 control group members interviewed and surveyed (in the three phases of this research) who had not started a business, 22 (59%) indicated that they had become inclined to believe that starting a business was less likely for them. Of the 13 control group members who were running a live business, four indicated that this was simply a way to pay the bills and that they were not passionate about it.

Innovation enhanced

A common theme that emerged from all three phases of the research was that the scope of entrepreneurial ‘change the world’ ambition had changed. Those alumni still employed in companies often professed to be as bold as those running their own businesses. Interviewees strongly confirmed that they were behaving in a more entrepreneurial way at work – with their employers clearly reaping some benefit.

“I have introduced the innovation funnel at the business I’m employed in – NEF was one of the things that gave me credibility to do that and for my employer to be happy to let me take ownership of it.”

“I learned a great deal about how to make the projects I work on for my employer more meaningful to other people, including my seniors – how to position them, structure them, provide progress reports in a way which helps them thrive.”

“The time for reflection within the NEF programme made me more purposeful at work”.

“I learned how to create a safe space for innovative ideas – and that’s something I use both in and out of work. Then I can use the forecasting and finance skills I learned to help them gain credibility.”

Expertise developed

Respondents to the research were asked to self-report how they believed their competence in five particular skill areas (identified in the academic entrepreneurship literature as critical for entrepreneurship) had changed before and after the course, or in the case of the control group, since they had applied for the course. This was done by asking them to rate their skills in the given area (market research, creativity, leadership, teamwork, and finance) on a scale of 1-6. As one might expect, overall these young adults reported that their skills had developed as they moved into the workplace.

However, it is notable that over half of both respondent groups reported that on at least one of the five skills this study enquired about, their self-rating had not changed over time; this suggests a relatively objective self-reflection.



Data from the quantitative study (phases 1 - 3)

Market Research

Market Research		Before	After	Change
Overall Alumni		2.83	4.26	51%
2017 Cohort		3.00	3.91	30%
Control Group	2016/17	2.94	3.80	29%

Alumni reported a significant lift in their market research skills—and this was supported by data from the interviews. Many employed NEF alumni work in business development functions, examining and evaluating opportunities on their employers' behalf.

Creativity

Creativity		Before	After	Change
Overall Alumni		3.71	4.84	30%
2017 Cohort		3.94	4.28	9%
Control Group	2016/17	4.63	5.06	9%

Self-reported creativity scores rose somewhat. However, this was the skill in which the most respondents indicated their skills had not changed, perhaps reflecting a popular belief that creativity can't be taught.

Team Working

Team Working		Before	After	Change
Overall Alumni		3.58	4.68	31%
2017 Cohort		3.69	4.31	17%
Control Group	2016/17	3.35	3.85	15%

Again, the self-reporting scores show a significant differential in the skill before and after the programme.

Leadership

Leadership		Before	After	Change
Overall Alumni		3.03	4.48	48%
2017 Cohort		3.53	4.15	18%
Control Group	2016/17	3.00	3.32	11%

NEF Alumni reported a significant absolute change in their leadership ability. NEF Alumni reported a four-fold increase in their leadership skills compared to the control group.

Financial Skills

Financial Skills		Before	After	Change
Overall Alumni		2.50	3.79	52%
2017 Cohort		2.31	3.32	44%
Control Group	2016/17	2.38	3.75	58%

Again, NEF Alumni reported significant improvements in their financial skills.

Conclusions

This report provides clear evidence of impact of the NEF programme on the entrepreneurial outcomes of participants. While business startup and job creation figures are eye-catching and encouraging, the longer term impact of the programme on skill development and network-building should not be understated. NEF provides alumni with the confidence and resources to pursue an ambitious “scale up” approach to their careers in entrepreneurship, whether as company founders or key guiding lights in the innovation efforts of the host companies in which they work.

Notes on Survey design

The interviews conducted in Phase Three were cross-referenced with the 14 interviews conducted during June and July 2016 with randomly-selected NEF alumni from the classes of 2015 and 2016, as well as seven further interviews with individuals who did not participate in the NEF programme (a kind of ‘control group’) whether because they applied, made it to the final selection stage, but were not offered a place, or because they were offered a place but rejected it. In addition to the seven in depth interviews with ‘control group’ members, 20 ‘control group’ members completed questionnaires about their skills development and career/entrepreneurship activities. This data was compared to interviews conducted in 2015 of 30 NEF alumni from the classes of 2012-2015, and of 15 ‘control group’ interviews from those who made the final selection stages but did not participate.

Further, 26 members of the Class of 2014/15 completed questionnaires about their experience as of July 2015, 37 members of the Class of 2015/16 completed separate questionnaires about their “before and after” experience as of October 2015 and July 2016, and 35 members of the Class of 2016/17 completed separate questionnaires about their “before and after” experience as of October 2016 and July 2017.

In total, 136 “before and after” questionnaires, 20 other questionnaires, and 74 in-depth interviews have informed the findings of this research.

The study also incorporates NEF's own tracking of the most concrete outcomes of the NEF programme: businesses started, investment raised and employment created. But it is also highly relevant to assess the impact of the programme on behaviour, skills and confidence. The survey and interviews were designed, based on the academic entrepreneurship literature, to measure the effect of the NEF programme on the development of:

- Entrepreneurial intention (Bird 1988, Souitaris et al 2007) and confidence
- Entrepreneurship-related cognitions such as
 - ▶ ‘entrepreneurial alertness’ (Gaglio and Katz 2001; Alvarez et al 2013)
 - ▶ Tolerance of uncertainty (McMullen & Shepherd 2006)
 - ▶ Pattern recognition (Baron & Ensley 2006) and vision
- An ‘entrepreneurial mindset’ (McMillan and McGrath, 2000) in employment
- Skills such as market research, creativity, teamworking, team leadership and financial management

Over time, the research is seeking to measure the processes by which participants move to expert (eg, Gartner; Kruger, 2007 entrepreneurial behaviours).

“Over the three years we have been tracking the impact of the NEF programme, the evidence has built into a convincing picture, consistent across all six cohorts: the effects of the programme are significant, compared to the control group, on entrepreneurial intentions and ambition, on innovation mindset and behaviour, and on the development of skills such as leadership, team working, financial literacy and market research.”

**DR CHRIS COLERIDGE,
FACULTY, JUDGE BUSINESS SCHOOL,
UNIVERSITY OF CAMBRIDGE**

3.4 Host Company Impact

This year, as part of our overall impact assessment, we surveyed a sample of 25 host companies to assess the impact that their NEFer has made to their business. The feedback was universally positive.

Host companies regularly report how NEFers are impacting their businesses. Specifically, they cite their NEFer's hunger to learn, enthusiasm and their ability to understand business challenges and to deal with them in a proactive and innovative manner as being amongst the key qualities NEFers bring to their businesses.

Over 75% of host companies rank their NEFer in the top 20% of new hires at a similar level

"I would highly recommend any company, however large or small, to invest in a NEF placement. The two NEFers that were placed at Your Cash were a credit to NEF and an asset to us."

WENDY COCHRANE, HEAD OF HR, YOUR CASH

24% of host companies rank their NEFer in the top 1% of new hires at a similar level

"NEF is an amazing programme. Not only is the underlying ethos taking smart recent graduates and plugging them into the start up ecosystem a great idea, but the NEFers are amongst the smartest people that you will find. If you are a company looking for bright, motivated people to join your team, stop looking."

CHRIS MCCULLOUGH, CEO AND CO-FOUNDER, ROTAGEEK

3.5 Future Plans

The trustees are pleased to see the high percentage of business start ups that are planned by the graduating class of 2017, and will follow their and other Alumni's progress with interest. The third phase of the independent impact study is, once again, very encouraging in terms of the skills that the cohort have developed during their year on the programme.

In the last year, trustees have looked at the potential for longer term strategic partnerships with appropriate organisations to further extend the reach and impact of our activities. They are considering a partnership option through a strategic merger and as this report goes to print, discussions are continuing.

3.6 NEF Alumni Case Studies

Manchester-based entrepreneur, Josh Turner, 26, always wanted to have his own business. At the age of seven he was selling household items to his relatives, at 17 he created school-holiday social events, and while at Birmingham University, he began one of the UK's most popular university sports nights, which saw more than 7,000 people attend and received the attention of Sky Sports. After graduating, Josh learnt of the New Entrepreneurs Foundation (NEF) and was convinced to apply through the knowledge that he could get an "entrepreneurship masters" that offered business skills training, mentorship, work experience and still earn a salary.

During his time with the NEF, Josh was encouraged by the NEF's extensive support system, including networking events, mentoring and online cohort resources. He also overcame the feeling of isolation that often comes with entrepreneurship through the relationships he built through the programme.

“

NEF gives you the credibility of being an entrepreneur and the confidence that you can really achieve what you want. Being a young entrepreneur can be a daunting and isolating experience – where you lack the support you crave for your ideas and your journey – especially if you are based out of London. Sometimes you even doubt whether entrepreneurship is a 'real job'. But then you join NEF and you are suddenly surrounded by lots of different young entrepreneurs but you all have one thing in common – the ambition and drive to run your own successful business.

”



JOSH TURNER THE SOCIALLY-MINDED ENTREPRENEUR

Following his time with NEF, which included a placement with Virgin, Josh founded Stand4Socks and focused on making a profitable, ethically-minded business that would have a positive impact on the world. Stand4Socks seeks to change the meaning of transactions, while disrupting the traditional charity model. With the tag line "What if socks could save the world?", Stand4Socks sells colourful socks and donates a portion of each sale to a charitable cause. His social enterprise aims to create a world where every transaction (no matter how big or small) can have a positive outcome. Starting with socks, Josh wants to prove that something we give little thought to can have an impact in the world...from planting 10 trees to fixing the landmine problem and much more! This ethical fashion brand is addressing 11 of the 17 United Nations global goals across nine different countries and tackles issues such as gender equality and lack of education opportunities.

Having bootstrapped since launch, Josh has just completed a £17,000 crowdfunding campaign, which was 179% oversubscribed (originally aiming for £10,000), and will fuel the next stage of the company's growth as well as deliver new products.

Since leaving NEF, Josh has also become a leading figure in the social enterprise movement in the UK and, as a result, was awarded a Bronze award as Great British Social Entrepreneur of the Year in 2015. Last year he was shortlisted for the Great British Creative Entrepreneur of Year.



ARI RATNAKUMAR

THE FAST GROWTH ENTREPRENEUR

Ari Ratnakumar is co-founder and CFO of Wiser, a group of recruitment companies supported by an in-house creative agency and online advertising platform. Ari came to NEF after spending 13 months in the corporate business world to realise his passion to lead his own business.

Ari, along with his co-founders, Fin, Omar and Ben, created a quiz that engaged students with brands and from there GradQuiz was born (later expanded to become Wiser).

Four years on from founding Wiser, Ari and his co-founders have grown the business to a team of 40 people and a turnover of £2.4 million. The business was chosen last year to be part of the London Stock Exchange's ELITE programme, which recognises the UK's most promising startups, and Wiser is focused on continued growth and delivering an integrated employer brand service. Furthermore, Wiser is paying it forward and taking on its own NEFer in August 2017.

“

I started Wiser when I was very young. I knew that while GradQuiz had limited opportunity by itself, we recognised a chance to connect big brand employers with young, talented people and build employer brands. I came to NEF with this idea and the organisation allowed me to develop the idea, giving me the support and networking opportunities in those early days to help us overcome the initial hurdles faced by many early stage businesses. The networking NEF provides is one of the most valuable assets the programme offers its alumni - the chance to connect with people who can help you and your business whether they are mentors, investors, potential customers or like-minded individuals who are sharing their journey.

”

Simon Phelan is the co-founder and CEO of Hometree, a start up seeking to disrupt the way in which consumers purchase a new boiler. Simon comes from a family of entrepreneurs and knew that running his own business was his destiny. Today, he runs Hometree and is creating a radical new approach to home services.

Simon joined the New Entrepreneurs Foundation (NEF) shortly after moving from Dublin to London at the age of 20. After spotting an advert in a newspaper, Simon became a member of the first cohort and was placed with Better Capital and its founder, the venture capitalist Jon Moulton. It was the NEF work placement combined with NEF's programmes and events that Simon credits with putting him on the path to where he is today.

“

I believe that your environment fosters who you become. NEF offers an environment for entrepreneurs unlike anywhere else. I came from Dublin as a bright-eyed 20-year-old with an end goal of being an entrepreneur with my own business. I was placed with a group of young entrepreneurs with similar views to myself and given invaluable experience from being put in front of truly inspirational industry leaders, not just as quick introductions but in a day-to-day work placement alongside these people. For me, NEF gave me access to things that gave me credibility as an entrepreneur and connections that cemented my future as a founder. It is also where I found close friends that became each other's supporters and who I kept in contact with long after we completed NEF.

”



SIMON PHELAN

THE ENTREPRENEUR TAKING ON THE ENERGY MARKET

Simon's placement at Better Capital grew from a NEF year-long placement to a six-year career, where he experienced what it takes to invest in businesses and how to run large businesses as CEO of an Irish portfolio company. From there, he went on to found Hometree as he felt that the UK home energy industry needed a digital revolution. The startup has chosen to start with providing a e-commerce boiler installation service that allows users to video call experts for advice on their boilers. In the future, Hometree will branch into other energy-efficiency services and products - with a long-term ambition of developing a new type of energy utility model focused around services.

Simon has had great success to date. The team has expanded to 22 people and is experiencing double-digit growth month-on-month. Hometree has raised £2.5m from some of the UK's biggest technology investors including LocalGlobe, Oxford Capital and DN Capital. It also has impressive Angel investors, including previous mentor and employer, Jon Moulton, FJ Labs, the CEO of GE Europe, Ian Marchant, the former boss of energy giant SSE and NEF's founder, Oliver Pawle.



HAMISH GRIERSON

THE ENTREPRENEUR MAKING HEALTHCARE BETTER

Hamish Grierson is the co-founder and CEO of Thriva, one of the UK's most exciting health-tech companies. While running a skiing business in the French Alps, Hamish received the same article talking about NEF six times from friends and family who saw his entrepreneurial capabilities. Although he did not self-identify as an entrepreneur, Hamish knew he was not meant for a career in the City and was motivated to make a difference to the world. NEF appealed to Hamish as a place to investigate and develop his ambition to become a business leader.

One of the biggest milestone moments for Hamish was his NEF placement at Travelex. It was there that he was given the opportunity to innovate and grow business divisions, thus allowing him to stretch his entrepreneurial legs. Travelex is also where he met fellow NEFer and Thriva co-founder, Elliot Brooks. It was Elliot's experience with personal health issues that led them to question if there was a way to create an innovative healthcare system that monitors your health and addresses issues before they become problems.

“

For me NEF really helped with three aspects of my career. The first is that the programme gave me a sense of belonging, to know that it is ok to feel different for wanting to do your own thing and make the world a better place. The second is resilience training - I came to NEF as a twentysomething with an idea and as an entrepreneur you have constant attempts to improve yourself and your ideas. Finally, I am grateful to NEF for my time at Travelex as this is where I was able to test out my entrepreneurial nous and where I met my business partner.

”

Since Thriva launched 18 months ago, Hamish and Elliot have quickly grown the business to a team of 12 people and recently secured £1.5million seed funding from Alex Chesterman, founder and CEO of PropTech firm Zoopla, Simon Franks, founder of LoveFilm, Taavet Hinrikus, founder of TransferWise, Seedcamp, 500 Startups and the London Co-Investment Fund. As they look to the future, Thriva is on a mission to spark a proactive health revolution that reaches millions of people.

Gigi is a member of NEF's most recent cohort (Class of 2017) and actively supports entrepreneurs in the UK. She is passionate about driving change and this is evident through her own entrepreneurial journey and also through her work with Seedrs, the crowdfunding platform.

Gigi's journey to the New Entrepreneurs Foundation took her from Goldman Sachs to a B2B marketing consultancy and finally to co-founding a fashion technology business, 'Mode for Me', where she spent time with tech pre-accelerator TechStars. Gigi came to NEF as Mode for Me wrapped up its operations and she started working at Seedrs. NEF appealed as the right fit for what Gigi was hoping to achieve next - to be exposed to the world of entrepreneurs and finding out how to think and operate like a founder.

Gigi used her time with NEF to take advantage of the people, network and mentoring provided by the organisation. In particular, her time spent with a personal coach gave her valuable insight into her own personal professional development as she has learnt to understand and navigate her role within the business, how to manage and work with others and much more.

Gigi continues to work with businesses to help them start their fundraising activities. She has spent time advising other NEFers on how to crowdfund successfully and recently ran a NEFer pitching contact workshop to share her personal experiences of raising investment. For now, Gigi is focused on helping startups but does see herself as a founder of a digital start up again in the future.



GIGI ETIENNE

SUPPORTING THE GROWTH OF START UPS

“

NEF has enriched my professional career more than I ever imagined. It gives people like me a headstart in growing a valuable, continuous network of entrepreneurs, advisors, partners and allows you to define who you are as a businessperson. As a person interested in helping start ups and who sees their future as an entrepreneur themselves, I've been able to use what NEF offers as first-hand experience of what entrepreneurs need and want.

”

4. Finance and Risk

4.1 Financial Review

Total income for the year was £743,986 (2016 - £666,498), consisting of contributions from sponsor companies, participation fees from host companies and other donations.

Total expenditure for the year amounted to £761,286 (2016 - £685,504). This comprised £734,930 (2016 - £663,857) in respect of charitable activities; candidate recruitment and the running of the training programme and costs of raising funds of £26,356 (2016 - £17,897). In 2017, £nil was expended on grants awarded (2016 - £3,750). This resulted in a deficit of £17,300 (2016 - £19,006) and total funds at 5 April 2017 of £108,999 (2016 - £126,299).

At the year-end £19,255 has been set aside by the Trustees to cover the remaining anticipated costs of the 2016/17 programme (2015/16 - £49,177). The remaining balance of £89,744 (2016 - £77,122) is unrestricted. Of this balance, £86,572 (2016 - £74,492) constitutes the charity's free reserves carried forward as discussed below.

Reserves Policy and Financial Position

Reserves Policy

The trustees have examined the requirements for free reserves i.e. those unrestricted funds not invested in tangible fixed assets, designated for specific purposes or otherwise committed. The trustees consider that, given the nature of the Foundation's work, the level of free reserves should cover 3-5 months' annual overhead expenditure on unrestricted funds at any one time. As at 5 April 2017 this figure equates to approximately £75,000 - £100,000. The trustees are of the opinion

that this provides sufficient flexibility to cover any temporary shortfalls in incoming resources due to timing differences in income flows, adequate working capital to cover core costs, and will allow the Foundation to cope with and respond to unforeseen emergencies whilst specific actions are implemented.

Financial Position

The balance sheet shows total funds of £108,999 (2016 - £126,299).

£19,255 (2016 - £49,177) relates to a designated fund representing monies set aside to complete the training programme for 2016/17 candidates that is still ongoing at the year end. £3,172 (2016 - £2,630) represents fixed assets held for use in the foundation's operations and therefore not liquid resources available for general expenditure.

£86,572 (2016 - £74,492) equates to free reserves. This falls within the target free reserves set in the policy

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 2016/17 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 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, which was £2,500 this year helps the organisation to meet some of the recruitment costs and make a small contribution towards their NEF's learning programme. This generated £79,750 in additional income in 2016/17.

In January 2017, we recruited a part time fund raising manager, who works with the CEO and trustees to identify and source new funding for the charity. We are also actively approaching Trusts and Foundations for financial support, but will also evaluate possible commercial activity within our charitable objects.

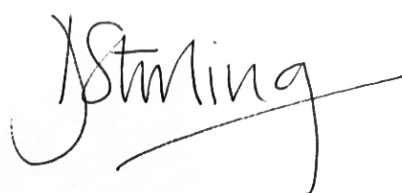
Fraud: We seek to mitigate against financial fraud by separating budget, commissioning and authorisation sign-off duties. The basic rule we follow is that an individual who has commissioned any expenditure cannot authorize the expenditure, nor pay the invoice relating to that item. Only the CEO and COO are

authorised to commission paid activities and we have introduced a 3-step process for processing all payments as well as monthly bank and cash reconciliations. In April 2016, we introduced Xero, an online financial management system which enables the CEO to keep a closer eye on cash in the bank, monitor all payments quickly and be aware of the cash position at any time. Further, trustees have set a limit of £30,000 as the CEO's signing authority, with any greater amount to be signed off by an authorised trustee.

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 6 October 2017

5. Independent auditor's report to the members of the New Entrepreneurs Foundation

We have audited the financial statements of the New Entrepreneurs Foundation for the year ended 5 April 2017 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland.

This report is made solely to the charity'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 charity'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 charity and the charity's members as a body, for our audit work,

Respective responsibilities of trustees and auditor

As explained more fully in the statement of trustees' responsibilities set out in the Trustees' report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on

the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 5 April 2017 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies act 2006

In our opinion the information given in the Trustees' report for the financial period for which the financial statements are prepared is consistent with the financial statements. Also in our opinion, in light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have identified no material misstatements in the Trustees' report. law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- 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;
- 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.



Edward Finch, Senior Statutory Auditor

for and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

6 October 2017

6. Financial Statements

	Notes	2017 Total funds £	2016 Total funds £
Income and expenditure			
Income:			
Donations	1	664,236	608,248
Other trading activities	2	79,750	58,250
Total income		743,986	666,498
Expenditure:			
Costs of raising funds	6	26,356	17,897
Expenditure on charitable activities			
. Grants payable	4	—	3,750
. Other charitable activities	5	734,930	663,857
Total expenditure	3	761,286	685,504
Net expenditure and net movement in funds		(17,300)	(19,006)
Reconciliation of funds:			
Fund balances brought forward at 6 April 2016		126,299	145,305
Fund balances carried forward at 5 April 2017		108,999	126,299

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 53 to 59 form part of these financial statements.

Balance Sheet

	Notes	2017 £	2017 £	2016 £	2016 £
Fixed assets					
Tangible fixed assets	11		3,172		2,630
Current assets					
Debtors	12	62,236		96,123	
Cash at bank and in hand		164,369		127,212	
		226,605		223,335	
Liabilities:					
Creditors: amounts falling due within one year	13	(120,778)		(99,666)	
Net current assets			105,827		123,669
Total net assets			108,999		126,299
The funds of the charity:					
Unrestricted funds					
. General funds			89,744		77,122
. Designated funds	14		19,255		49,177
			108,999		126,299

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 6 October 2017

Statement of Cash Flows

	Notes	2017 £	2016 £
Cash flows from operating activities:			
Net cash provided by (used in) operating activities	A	38,862	(14,977)
Cash flows from investing activities:			
Purchase of tangible fixed assets		(1,705)	(3,013)
Net cash used in investing activities		(1,705)	(3,013)
Change in cash and cash equivalents in the year		37,157	(17,990)
Cash and cash equivalents at 6 April 2016	B	127,212	145,202
Cash and cash equivalents at 5 April 2017	B	164,369	127,212

Notes to the statement of cash flows for the year to 5 April 2017.

A. Reconciliation of net movement in funds to net cash (used in) provided by operating activities

	2017 £	2016 £
Net movement in funds (as per the statement of financial activities)	(17,300)	(19,006)
Adjustments for:		
Depreciation charge	1,163	1,801
Decrease in debtors	33,887	2,164
Increase in creditors	21,112	64
Net cash provided by (used in) operating activities	38,862	(14,977)

B. Analysis of cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	164,369	127,212
Total cash and cash equivalents	164,369	127,212

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 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 useful economic life of tangible fixed assets and the designation of outstanding expenditure required for the 2016/17 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 year 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. 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 and grants and support costs including governance costs.

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 8. Outstanding contributions at the year-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

	2017 Total funds £	2016 Total funds £
Contribution from donors	468,784	479,500
Gift aid receivable	22,909	19,435
Other donations	19,143	763
Gifts in kind	153,400	108,550
	664,236	608,248

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

	2017 Total funds £	2016 Total funds £
Host company participation fees	79,750	58,250

3. Analysis of total expenditure

	Direct costs £	Support costs (note 6) £	2017 Total funds £	2016 Total funds £
Costs of raising funds	—	26,837	26,837	17,897
Charitable expenditure				
. Grants payable (note 4)	—	—	—	3,750
. Other charitable costs (note 5)	348,745	385,704	734,449	663,857
	348,745	412,541	761,286	685,504

4. Grants Payable

The grants payable during the year were for the following purposes:

	2017 Total funds £	2016 Total funds £
Funding of new entrepreneurs programme		
Grants to candidates (individuals)	—	3,750
	—	3,750

5. Other charitable activities

	2017 Total funds £	2016 Total funds £
Candidate recruitment	93,748	86,388
Training programmes	264,626	237,433
Support costs (note 6)	376,556	340,036
	734,930	663,857

6. Support costs

The support costs (including governance costs) incurred during the year to 5 April 2017 and the bases of their allocation were as follows:

	Raising funds £	Charitable expenditure £	2017 Total funds £	2016 Total funds £
Staff costs	13,984	265,693	279,677	240,874
Staff recruitment and training	601	11,413	12,014	4,311
Travelling costs	144	2,727	2,871	6,490
Advertising	1,003	19,052	20,055	29,656
Office costs	2,234	42,441	44,675	27,420
Entertaining and gifts	106	2,022	2,128	5,877
Website costs	—	—	—	2,106
Depreciation	58	1,104	1,162	1,801
Consultancy fees	6,800	5,015	11,815	20,670
Legal and professional fees	173	3,277	3,450	2,000
Audit and accounting fees	1,253	23,811	25,064	16,728
	26,356	376,555	402,911	357,933

Indirect support costs are allocated to each activity based on estimated staff time.

7. Governance costs

	2017	2016
	Total funds	Total funds
	£	£
Audit and accounting fees	25,064	16,728
Legal and professional fees	3,450	2,000
	28,514	18,728

8. Staff costs

Staff costs during the year were as follows:

	2017	2016
	£	£
Wages and salaries	245,403	213,508
Social security costs	25,383	22,502
Pension costs	8,891	4,864
	279,677	240,874

One employee received remuneration of between £90,000 and £100,000 during the year (2016 – one between £100,000 and £110,000). Pension contributions of £7,500 (2016 - £4,750) were made in respect of this employee.

During the year the average number of staff was 6 (2016 – 5).

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 (Appointed December 2016), the Head of Talent, Marketing and Communities and the Programme Director, Learning and Partnerships. The total remuneration (including taxable benefits but excluding employer's pension contributions) of the key management personnel for the year was £193,922 (2016 - £152,950).

During the year no Trustees received any remuneration or were reimbursed for expenses (2016 - £nil).

9. Net expenditure and net movement in funds

This is stated after charging:

	2017 Total funds £	2016 Total funds £
Staff costs (note 8)	279,677	240,874
Auditor's remuneration (including VAT)		
. Current year fees	6,777	6,720
. Non-audit fees	6,062	7,397
Depreciation (note 11)	1,162	1,801

10. 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.

11. Tangible fixed assets

	2017 Total funds £
Cost	
At 6 April 2016	9,843
Additions	1,705
At 5 April 2017	11,548
Depreciation	
At 6 April 2016	7,213
Charge for the year	1,163
At 5 April 2017	8,376
Net book value	
As at 5 April 2017	3,172
As at 5 April 2016	2,630

12. Debtors

	2017 £	2016 £
Prepayments and accrued income	36,110	81,000
Gift aid receivable	12,875	13,125
Other debtors	—	1,998
VAT recoverable	13,251	—
	62,236	96,123

13. Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	13,266	374
Taxation and social security	9,066	8,519
Accruals and deferred income	98,446	90,773
	120,778	99,666

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.

	2017 £
Deferred income brought forward at 6 April 2016	40,000
Additional income deferred in year	70,000
Deferred income released in year	(40,000)
Deferred income carried forward at 5 April 2017	70,000

14. 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 2015 £	New Designations £	Utilised £	Balance at 5 April 2017 £
Designated fund – 2015/16 training programme	49,177	-	(49,177)	-
Designated fund – 2016/17 training programme	-	19,255	-	19,255
Total	49,177	19,255	(49,177)	19,255

The designation above relates to monies set aside to complete the training programme for 2016/17 candidates that is still ongoing at the period end.

15. Analysis of net assets between funds

Fund balances at 5 April 2017 are represented by:

	General fund £	Designated fund £	Total 5 April 2017 £
Tangible fixed assets	3,172	-	3,172
Current assets	207,350	19,255	226,605
Creditors amounts falling due within one year	(120,778)	-	(120,778)
Total net assets	89,744	19,255	108,999

16. Leasing commitments

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

	Land and buildings	
	2017	2016
	£	£
Operating leases: payment due within one year	1,998	1,998

17. Related party transactions

During the year the charity received donations of £10,000 (2016 - £32,500) from trustees.

There were no other related party transactions which required disclosure (2016 - none).





ANNUAL REPORT & FINANCIAL STATEMENTS

Financial Year 2016/2017

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