

The Centre for Entrepreneurs Ltd.

Annual Report and Financial Statements

2022/23

Message from our Chairman



With the publication of this year's annual report, the Centre for Entrepreneurs enters its 14th year of operations. When we launched CFE's parent charity – the New Entrepreneurs Foundation – in late-2010, our vision was to find and develop the next generation of entrepreneurial leaders, with the goal of helping them to create game-changing businesses that would scale and grow, helping the UK economy to recover from the impact of a global recession. Many years on, and following a series of strategy iterations and new initiatives, I think we can say that we've delivered on that crucial first objective. More than 400 ambitious and talented entrepreneurs have been through the various versions of our NEF programme, with an impressive collective impact: launching 300+ live businesses, creating over 5,800 jobs, raising more than £300M in funding and reaching a collective valuation in excess of £800M. In addition, CFE has diversified its impact – reporting on and supporting refugee entrepreneurship, investigating and promoting the incubator and accelerator space, highlighting the opportunities to support entrepreneurs and communities across a range of under-served and under-supported areas including prisoners and ex-offenders, seaside towns and more.

We have weathered some significant financial and operational challenges during this period – all the while retaining the core spirit of entrepreneurship which gave life to the charity in the first place. 2023 saw the advent of a new, and bigger – perhaps the biggest – challenge that CFE has faced to date, the advent of generative artificial intelligence. Why is this the biggest challenge for an entrepreneur-focused charity? Quite simply, the impacts of AI are being felt, at pace, across every single area of our work and operations – learning and education, communities and networks, systems, data and on and on. There are two ways of looking at these challenges – we could, as a relatively small charity conclude that, having delivered the impact I outlined earlier, now is the time to step back

and call it day – but that's not our style. Rather, we have grasped the nettle, with renewed entrepreneurial purpose and are taking a bold new direction for our educational programmes – utilizing AI's potential to expand and extend our learning programmes to deliver individualised and practical support to a new, bigger audience of aspiring entrepreneurs – across the whole of the UK, independent of location or means.

This promises to be an exciting and impactful new chapter for CFE, more of which follows in the 'Future Plans' section of this report. Looking back on the past year, this is a wonderful opportunity to thank my fellow Trustees for their continued support and energy, our long-standing and committed donors and supporters – particularly our commercial partners

at Founders Forum and the fantastic CFE team – led by CEO Tim Barnes.

It's easy to extrapolate our glass half full, half empty challenges to the wider debate about the implications of this period of technological change. I am very much of the view that the opportunities are overwhelmingly positive, albeit with incumbent big risks and potential downsides. We will only progress if we embrace the opportunities and solve these challenges. CFE is proud to be at the forefront of this next chapter, and I look forward to it with excitement.

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

Oliver Pawle
Chairman

Message from our CEO



I was delighted to join CFE as CEO during the course of the year, in the summer of 2022, having been a supporter and partner since the very earliest days of the organisation. Having worked with my predecessor, Neeta Patel, and the trustees on the strategy review earlier in the year before I arrived, I thought I had a pretty good handle on CFE's goals and the critical steps the organisation needed to take.

But, as we all know, it has proven to be a time of choppy waters across the economy. Inflation and cost of living have impacted many. The impact of the post-Covid changes have made larger businesses more cautious about where they might invest or donate their funds. The release of Chat GPT to the wider public in November 2022 changed the opportunities for a huge proportion of new and existing entrepreneurial endeavours. It has been a difficult time and one that has required CFE to change in order to adapt to the realities of a new landscape for what we do.

CFE's place at the heart of the early-stage entrepreneurship ecosystem gave us a unique and early readout on changes in attitudes and behaviours, not least from the people applying to our NEF+ programme. The triple-whammy of a seismic technology shift, difficult economic conditions and growing competition from commercial operators have combined to force us to re-think and adapt our plans in our core market.

However, we have continued to deliver and grow our impact across all of our activities over the last twelve months, notably:

- Delivering two more NEF+ cohorts, bringing alumni numbers to nearly 450 graduates, with some extraordinary combined scale as the numbers later in this report outline.
- Publishing a major study of the UK's startup incubator and accelerator landscape, the most exhaustive study of the sector ever carried out in the UK, with follow up from three UK government departments and interest from experts from around the world.
- Growing our refugee entrepreneurship network, and holding our fifth Global summit – for the first time outside the UK with support from a new partner, The Human Safety Net.
- Continuing to engage and promote the work of incubators and accelerators through our IAN community, and running our first members' international study visit to Amsterdam.

- Engaging with policymakers to help shape UK government thinking across a range of entrepreneurial topics.
- Representing CFE in a range of international events and conferences.

As well as our financial supporters, our work depends upon the generous donation of time and talents from a wide range of people and organisations, notably: our incredible panel of NEF coaches and business mentors, our REN global champions. Also, we are grateful to our major new donor of 2022, Founders Forum, for their support and our new offices and The Human Safety Network for hosting the 2022 REN Global Summit at their conference facility in Venice.

A handwritten signature in black ink, appearing to read 'T. Barnes'.

Timothy Barnes FRSA

Holder of the Queen's Award
for Enterprise Promotion

CEO, Centre for Entrepreneurs

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1.0

Legal and Administrative Information

Trustees

Oliver Pawle (Chairman)
Deirdre Stirling (Secretary)
Andrew Joy
Masha Feigelman
Joseph Hubback
Joanna Santinon
Carolyn Dawson OBE

Registered Office

Kemp House
152-160 City Road
London
EC1V 2NX

Company Secretary

Deirdre Stirling

Chief Executive Officer

Timothy Barnes

Bankers

Barclays Bank
Regent Street
London
W1B 5RA

Solicitors

Harbottle & Lewis
N7 Savoy Court
London
WC2R 0EX

Auditor

Buzzacott LLP
130 Wood Street
London
EC2V 6DL

Company registration number

07469562

Charity registration number

11040102

Trading subsidiary

CFE Trading Ltd

Company registration number

11047500

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.

CORPORATE DONORS



PATRONS

Lord Agnew of Oulton, founder and chairman, The Inspiration Trust; **Ian Armitage**, co-founder, Isfield Investments; **Lord Davies of Abersoch**, chairman, Corsair Capital; **Sir Lloyd Dorfman**, founder, Travelex; The Golden Bottle Trust; **David Gregson**, co-founder, Phoenix; **Ed Haddon**, founder, Haddon Coaching; **Andrew Joy**, senior advisor, Stonehage Fleming; **Lord Lupton**, ex-chairman, Greenhill Europe; **Sir Keith Mills**, ex-deputy chairman, LOCOG; **Monica Monajem**, managing director, Amitis Partners; **Jon Moulton**, founder, Better Capital; **Vin Murria**, entrepreneur, investor, philanthropist and HG Capital board member; **Rajal Patni & Rohit Patni**, Lavanya Plus; **Oliver Pawle**, chair, board practice, Korn Ferry; **David Pearl**, David Pearlman Foundation; **Andy Phillipps**, entrepreneur and early stage technology investor; **Mark Pritchard**, founder, Allied Minds; The Rayne Foundation; **Mike Rees**, former deputy group CEO, Standard Chartered; **Sir John Ritblat**, honorary president, The British Land Company PLC; **Gerald Ronson**, Gerald Ronson Foundation; **Sir Nigel Rudd**, chairman, Business Growth Fund; Sadell Fellowship; **Elisabeth Scott**, former trustee, New Entrepreneurs Foundation; **David Tibble**, Inspiration Trust; Jean-Baptiste Wautier, managing partner, BC Partners; **The Hon. Charles Wigoder**, executive chairman, Utility Warehouse. **Corbyn Munnick**, CEO Slide Class of 2013, **Joel Gujral**, Founder & CEO MYNDUP Class of 2020, **Alex Somervell**, Co-Founder & CEO One Third Stories Class of 2016, **Fiona Timba**, Legal Counsel Barclays Class of 2015, **Guy Riese**, CEO & Founder Up Learn Class of 2016, **JJ Tan**, Founder Jelly Class of 2017 and **Quin Murray**, Co-Founder & CPO Krzana Class of 2015.

GIFTS IN KIND



Harbottle & Lewis



SUPPORTERS

We are also very grateful to the many partner organisations and individuals who support us in our work each year.



Harbottle & Lewis



2.0 Trustees Report

Our mission statement is:

“We support the entrepreneurial doers and makers who change lives and grow Britain.”

The Trustees present their statutory report together with the financial statements of the Centre for Entrepreneurs for the year ended 31st March 2023.

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 16 to 19 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) and the Companies Act 2006.

2.1 Principal Aims and Objectives

The charity's objectives continue to be to:

- Develop the entrepreneurial leaders of the future;
- Research into entrepreneurship;
- Develop communities of interest by bringing together companies, public bodies, philanthropists and delivery agencies to implement research recommendations.

2.2 Structure, Governance and Management

The governance of the Charity 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 high-level contacts and specific skills to complement, support and advise the CEO, the team and Trustees. New Trustees who may be first-time Trustees are offered a place on Trustee training courses run by independent organisations.

TRUSTEE	APPOINTED	RESIGNED
Oliver Pawle	14th December 2010	
Deirdre Stirling	22nd July 2011	
Andrew Joy	21st June 2013	
Joseph Hubback	27th November 2014	
Masha Feigelman	24th November 2018	
Joanna Santinon	23rd February 2022	
Carolyn Dawson OBE	7th November 2022	

CFE continues to operate a trading subsidiary that undertakes commercial activities and operations in support of our charitable objects and is wholly-owned by CFE. Two CFE trustees are directors of the subsidiary.

DIRECTOR	APPOINTED	RESIGNED
Andrew Joy	16th July 2018	
Deirdre Stirling	16th July 2018	

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 period 2022/23 Trustees met seven times for formal Board meetings to oversee progress and guide the future direction of the Charity. The CEO reports to the Chairman and the Board of Trustees.

KEY MANAGEMENT

At the end of the period 2022/23, the Charity had a total of five full-time and one part-time employees. The key management team comprises Timothy Barnes, CEO who is responsible (jointly with the Trustees), for the longer-term strategic direction and overall leadership of the charity, supported by Richard Cull Thomas, Deputy CEO and COO. Neeta Patel CBE left the charity, after over 10 years as CEO, shortly after the end of 2022/23. CFE's other permanent staff are responsible for operations, communications and recruitment activity for the NEF+ programme. The charity also works with a number of external people on a contract basis, who support community and programme management activity.

The Trustees consider that they, together with the CEO and the Deputy CEO/COO 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 2022/23 was based on external benchmarks with other, similar organisations.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of the Centre for Entrepreneurs 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 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 Accounting 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 an ongoing concern basis unless it is inappropriate to assume 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.

FUNDRAISING STATEMENT

The charity does not fundraise directly with the general public and therefore is not registered with the Fundraising Regulator. When donations from individuals are received, the charity aims to protect personal data and never sells data or swaps data with other organisations. The charity manages its own fundraising activities. The charity undertakes to react to and investigate any complaints regarding its fundraising activities and to learn from them and improve its service. During 2022/23, the charity 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 aware; 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 information is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

PUBLIC BENEFIT:

The trustees continue to carefully consider the Charity Commission's general guidance on public benefit, to ensure that the charity's charitable objects are adhered to and that our activities are all undertaken in support of our objects.



310

live ventures
launched by NEF/
NEF+ alumni



5,800

jobs created by
these companies

2.3 Introduction

2022/23 has been a year of significant change for CFE, with the departure of long-standing CEO Neeta Patel CBE at the beginning of the year, and the start of a new chapter for the charity under the leadership of Tim Barnes. Tim has been closely associated with various previous initiatives and incarnations of CFE, and NEF, in the preceding years, so enjoyed an accelerated handover when taking up the reins. Tim's background in policy development and research resulted in a renewed interest and focus in these areas.

We published 'Incubation Nation' in Autumn '22 – the first comprehensive analysis of the UK's incubator and accelerator ecosystem for over five years, which led to some far-reaching, and unexpected impacts. The Incubator and Accelerator Network (IAN) continues to bring together an active and committed community of ecosystem leaders, providing a source of mutual support, new ideas and input into policy development. 2022/23 network activities have extended to member-only international study visits and engagement with government policy leads.

The Refugee Entrepreneur Network (REN) continues to grow in size and impact. CFE hosted the fifth annual summit in Venice, in October '22, welcoming over 100 network members and invited guests to a landmark event.

CFE's flagship entrepreneur development programme NEF+ continues to support aspiring early-stage entrepreneurs. A further two cohorts graduated, bringing the alumni group size to over 400 members. NEF+ alumni impact continues to grow - in both size and scale.

The operating environment continues to be challenging – finding funding in the post-covid economic environment has proved challenging, meaning that CFE has had to be tightly-focused on core delivery activities.

2.4 Objectives

The charity's objectives continue to be to:

- Develop and support new entrepreneurial leaders in the UK;
- Deliver original research to identify gaps in the provision of support for entrepreneurs;
- Bring together organisations through networks and communities to enable progress in key areas; and
- Help to shape the UK policy agenda on entrepreneurship.



£300m
in early-stage
investment



£818m
The collective
valuation for
these ventures

¹ Data as reported by founders
of businesses that have
completed at least one
external funding round.

2.5 Main Activities and Achievements

NETWORKS AND COMMUNITIES

We bring together and manage communities of interest that connect individuals and organisations to share best practice, and act as advocates for their specific interests – on a national and international basis. Our focus in 2022/23 maintained interest in two key areas:

- The Incubator and Accelerator Network (IAN), which is now five years old. IAN is a membership organisation, comprised of business incubator and accelerator organisations from the university and commercial sectors. Its primary goal is to connect members to share best-practice, knowledge and to support development of this sector.
- The Refugee Entrepreneurship Network (REN) membership is a free to join network which connects delivery organisations, fundraisers, academic researchers and funders – all of whom are working to support refugee entrepreneurship, across the globe.

RESEARCH

Publishing original research is a core activity for CFE, and we published our first significant report – Incubation Nation in September 2022. This was followed, in March 2023 with our annual analysis of new company formation data.

NEF+ ENTREPRENEUR DEVELOPMENT PROGRAMME

The NEF+ programme format continued through 2022/23, with an even tighter focus on supporting aspiring founders, running and growing their early-stage businesses. Two NEF+ cohorts graduated in 2022/23 – bringing the number of completed to thirteen since the first NEF cohort, who graduated in 2012.

NEF+ continues to find and support ambitious early-stage founders, supporting their leadership development and the growth of their businesses. We have continued to widen programme participation – the latest two cohorts are our most diverse to date.

POLICY DEVELOPMENT

The re-launch of CFE's research output, as noted above, has facilitated some significant new engagement with the UK government, to help shape future strategy and policy in respect of entrepreneurship.

- Following the publication of our 'Incubation Nation' report, CFE CEO Tim Barnes held a series of private briefing calls with teams from DSIT and DCMS, giving them detailed insight into the research methodology, findings and recommendations. Follow-up discussions have taken place regarding opportunities to take the 'ESO directory' and make it publicly available.
- These interactions have led to further invitations to input into government policy development activity – most notably the review of university spin outs report.

PUBLIC BENEFIT

The Trustees continue to carefully consider the Charity Commission's general guidance on public benefit, to ensure that the charity's charitable objects are adhered to and that our activities are all undertaken in support of our objects.



3.0 Impact Report

3.1 Networks

INCUBATOR AND ACCELERATOR NETWORK (IAN)

IAN connects and represents Britain's leading business startup programmes. Membership stands at over 20 organisations, representing over 100 business startup programmes and covering the university and commercial sectors.

IAN's flagship event which brings together members, invited guests and partner organisations is the annual conference. The 2022 event – IAN's fifth – was held in Autumn 2022, hosted by STEAMHouse, Birmingham, and saw more than 50 attendees gather over two days to hear from a range of industry leaders and experts, including Matt Clifford – EF, Saalim Chowdhury – Techstars, Tara Honeywell – Barnados, and hosted by Hannah Previtt – The Times.

Outside of the annual conference, IAN members connect through regular community event calls and share progress updates, highlights and achievements via newsletters, and participate in industry and/or policy roundtable events.

In January '23 we held our first international member-only study visit, in Amsterdam. A group of IAN members travelled to meet key players in the Dutch startup ecosystem, including Amsterdam Startup Village, Amsterdam Centre for Entrepreneurship, B.Amsterdam, Forward Inc, Erasmus Centre for Entrepreneurship, Yes! Delft, and the Green Village.

Feedback from the visit was overwhelmingly positive, and we are planning another event, in Paris, in early '24.

📍 *Below: IAN 2022 Annual Conference attendees*



3.2 Refugee Entrepreneurship Network

The CFE Refugee Entrepreneurship Network (REN) is a global community working to improve the scale and impact of refugee entrepreneurship programmes. It brings together practitioners, philanthropic foundations, researchers, corporates and investors.

Now in its fifth year, REN is an increasingly vibrant and effective community that connects and supports organisations and people doing vital work supporting refugee entrepreneurs, in a genuinely international and highly-collaborative environment.

The 2022 global summit was held in Venice – the first occasion that we have hosted an event outside the UK, and REN's first post-pandemic in-person event. Supported by The Human Safety Net – the charitable arm of Generali Insurance Group SpA, and hosted at their St Mark's Square event space, the summit assembled an international audience spanning delivery organisations, philanthropists, corporate supporters and academic experts. Long-standing REN champion and CFE advisory board member Oli Barrett MBE again hosted the summit.

Following input from REN members in 2021/22, we established a number of member-led steering groups which bring together experts and interested parties, around key topics and themes that are relevant to their work. Each group meets regularly (virtually) to discuss progress, share highlights and seek support in solving challenges – utilising the collective experience of the group.

📍 **Below:** REN 2022 Global Summit delegates in St Mark's Square, Venice





Above:
*Incubation Nation
report, published
September 2022*

3.3 Research

2022/23 saw CFE's research activity re-start with the publication of 'Incubation Nation' in September '22. The report is the first comprehensive mapping and analysis of the UK's incubator and accelerator ecosystem in more than five years. The extensive research activity which fed into the report highlights the high levels of growth in entrepreneurship support programmes, across the UK. CFE has followed-up the report with the launch of an online directory which lists and categorises more than 700 different programmes identified through this research.

Incubation Nation has been extremely well-received - IAN member organisations have used its contents to highlight their specific impact, UK government policy teams in BEIS and DCMS have had private briefings on the contents – using this information to assist policy planning. The report's findings and recommendations have been cited by other governments, notably Australia, in support of their own entrepreneurship ecosystems.

We also published our annual Business Formation Index, in March '23. This report gives a statistical analysis of the number and types of new businesses formed in the preceding calendar year, along with geographic distribution and key business sector breakdowns. The report highlighted the robustness of the UK economy post-pandemic, with a return to growth in total business formations and the recovery of some key business sectors, notably hospitality.

3.4 NEF+

NEF+ is the successor programme to the original NEF programme, first delivered in 2011/12. Nearly 450 participants have completed NEF/NEF+ since launch, and in the last 12 months were ran two cohorts, which each completed their six-month long programmes in October 2022 and March 2023 respectively. As with previous cohorts, we selected talented groups of founders from diverse backgrounds with the key selection criteria being their entrepreneurial ambition and talent, not specific business ideas.

The programme format remained consistent with that followed in 2021/22, but with a renewed and specific focus on supporting founders – we did not offer any places to company-sponsored candidates in order to optimise the development experience for participants.

Unchanged from last year was the core structure and content of NEF+, which is built on fundamental principles of applied learning, peer accountability and the practical application of knowledge directly to participants' businesses and the challenges that they face in day-to-day operations. We were able to flex the syllabus delivery / order across different cohorts, to align with learning providers' schedules, but delivered the same content across both cohorts (with the exception of Business Analytics), delivered by the same entrepreneurial experts:

- Entrepreneurial strategy – Mike Bandar, NEF alum and serial founder
- Market Validation – Richard Anson, Venture Partner, Octopus Ventures, lecturer at UCL; Deeptech Academic Lead, Conception X
- Leadership & communication – Davinia Knowles, Managing Partner and Senior Coach, Daijo
- Operations & scaling – Kelsey Traher, Partner, Ventures Together and former COO Marvel App
- Business Modelling & Analytics – Asif Ahmed, Head of Partnerships and Early Stage, Cooper Parry/ Andrew Coulson and Matt Tucker – Founders, My Finance Team
- External Advocacy – Paul Archer, Managing Directory and Co-founder, DuelTech

For 2022/23 we introduced a new end of cohort format, splitting the traditional NEF+ pitch event into two distinct sessions – a combined pitch day and graduation ceremony, where all members of each cohort pitched, and a separate pitch final event, where the most promising businesses / founders pitched in competition for the CFE Chairman's prize – awarded by our chairman Oliver Pawle. The A(utumn)2022 cohort, who graduated in October 2022 cohort finalists and prize winner (pictured below) were:

- Salla Al Mulla – founder, Omami (winner)
- Sarah Peters – co-founder, AdaptApp
- Jo Barrow – co-founder, Cure
- Nibi Lawson – founder, Kinky Apothecary
- Dan Anahory – founder, Real Media Now

👇 **Below:**

A2022 pitch final winners (L-R): Jo Barrow, Dan Anahory, Nibi Lawson, Sallar Al-Mulla, Sarah Peters



The S(pring)2023 cohort, who graduated in March 2023 cohort finalists and prize winner (pictured below) were:

- Abisola Bright – founder, Polishpad
- Ama Owusu-Afriye – founder, Nova Tuition
- Anoli Mehta, founder – Circular Threads (Winner)
- Bradley St John James – founder, The Personal Barber
- Landa George – founder, ReNest
- Rosanne Cole – founder, Ro's Kitchen

👇 **Below:**

*S2023 pitch final winners (L-R):
Rosanne Cole,
Bradley St John
James, Anoli Mehta,
Landa George,
Ama Owusu-Afriye,
Abisola Bright*



The S2023 graduation event and pitch final was hosted at the Institute of Directors, Pall Mall – which led to a memorable event and an eye-catching all-cohort photo opportunity!

S023 NEF+ COHORT AND CFE TEAM, AT THE INSTITUTE OF DIRECTORS

Every member of each NEF+ cohort continues to receive the opportunity to receive executive coaching and business mentoring support through a tailored matching process which connects a member of each of our coaching and mentoring groups to a NEFer based on their specific needs and challenges. Our coaching panel is led by Sarah Perrott, and our mentoring panel by Philippa Seal – we are extremely grateful to them, and to all of our coaches and mentors for their time and support. Many of these relationships continue well beyond the NEF+ programme – as NEFers grow their businesses and seek further expert support and advice.

📍 *Below: S023 NEF+ cohort and CFE team, at the Institute of Directors*



ALUMNI IMPACT

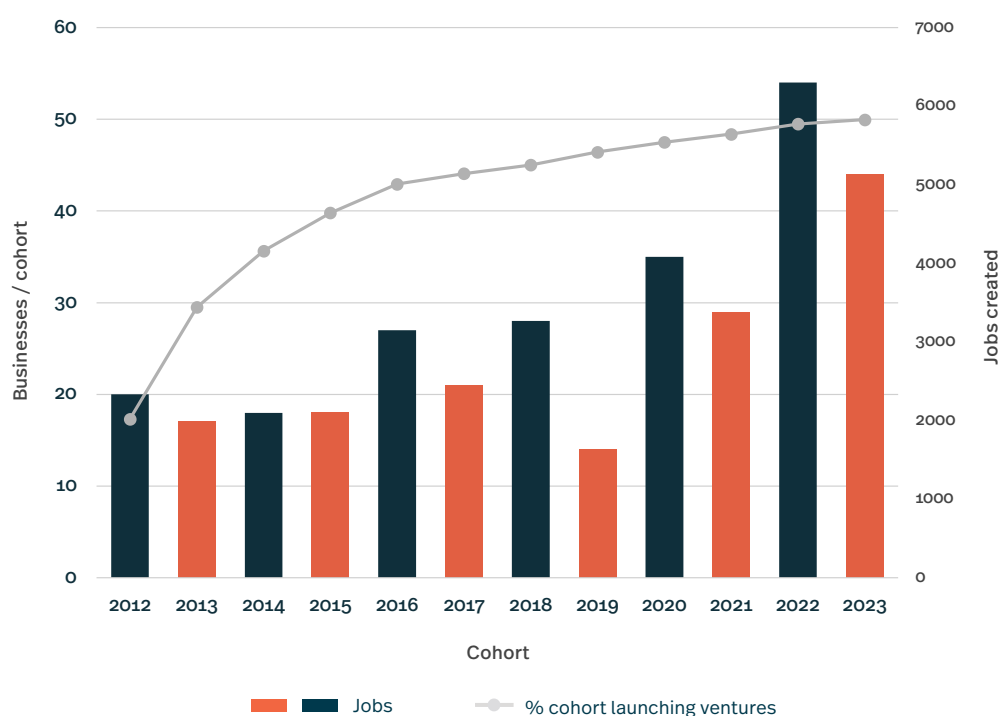
The original mission of the NEF programme has remained constant over its 13 years of delivery – to find and support ambitious young founders, helping them to launch and scale high-impact businesses which contribute to the UK economy, and beyond. We continue to track the progress of all NEF/NEF+ alumni and are pleased to report another year's progress on the key impact criteria which all show significant progress on 2021/22, despite a challenging economic and operational environment. The summary results for 2022/23 (with prior year equivalent figures shown in brackets) are as follows:

- Total live businesses: 310 (260)
- Jobs created: 5,800+ (5,200+)
- Aggregate early-stage investment: £300M (£260M)
- Aggregate valuation: £818M (£690M)

This is an impressive set of results – especially so considering that while we added some 50 new businesses to the NEF+ 'portfolio' there were a large number of ventures that closed down in the last 12 months. The ability of NEF+ founded businesses to continue to raise investment and, for those businesses that have completed at least one external fundraising round, the growth in valuation of the 'portfolio' is impressive and stands as testament to the quality of the founders that we have selected and the strength and potential of the businesses that they are building and scaling.

Our increased focus on recruiting NEF+ candidates with live businesses, coupled with the move to 2x6-month duration cohorts per year in 2022 and 2023 is reflected in the increase in the number of businesses launched (and live at the time of publication) in recent years. The majority of jobs created by alumni-founded businesses come from 'older' ventures that have reached venture stage and started to scale at pace.

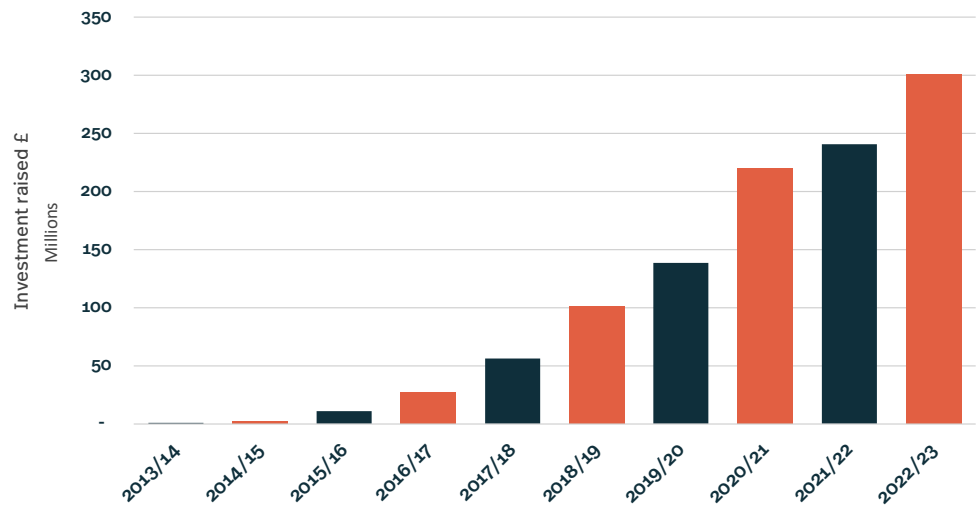
Fig. 1
Number of business launched (left-hand scale) and jobs created (right-hand scale) - by NEF/NEF+ cohort



Cumulative investment growth – by year (not cohort) continues to show a positive trajectory, despite a challenging environment for fundraising:

Fig. 2

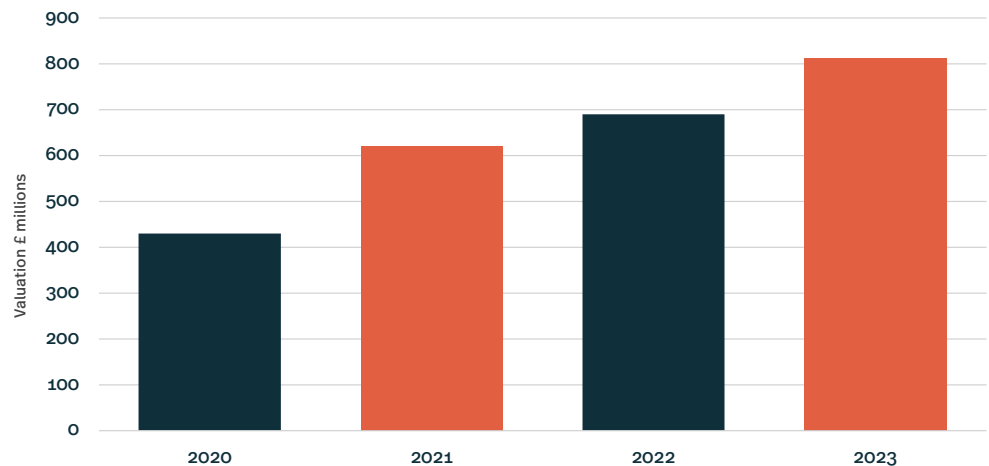
Cumulative early stage investment raised - total by financial year



Aggregate valuation also continues to grow strongly – driven by the contribution of later-stage, scaling business.

Fig. 3

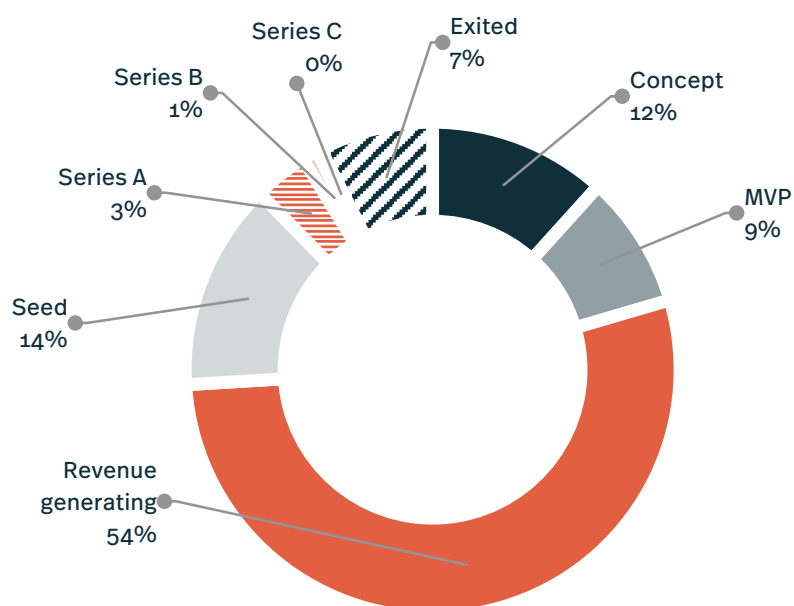
Aggregate valuation of NEF/NEF+ alumni-founded businesses (covers all ventures that have completed at least one external fundraising round)



Business stage - as the overall number of businesses in the dataset increases and with more recent participants joining the programme with a live venture, the mix of stages is shifting towards revenue-generating / later-stage businesses. The tough operating environment, which contributed to the closure of a number of very early-stage businesses has been felt particularly in the concept and MVP (minimum viable product) stages.

Fig. 4

Life-cycle stage of NEF/NEF+ alumni-founded businesses



Business locations - for the first time, we have been able to collect and analyse location details of alumni-founded businesses. Not surprisingly, given NEF's face-to-face delivery model, the majority of businesses are London-based, however there is a distribution of companies across the whole of the UK along with a small, but significant quantity of international businesses.

Fig. 5

Distribution of registered locations of NEF/NEF+ alumni-founded, UK-based businesses

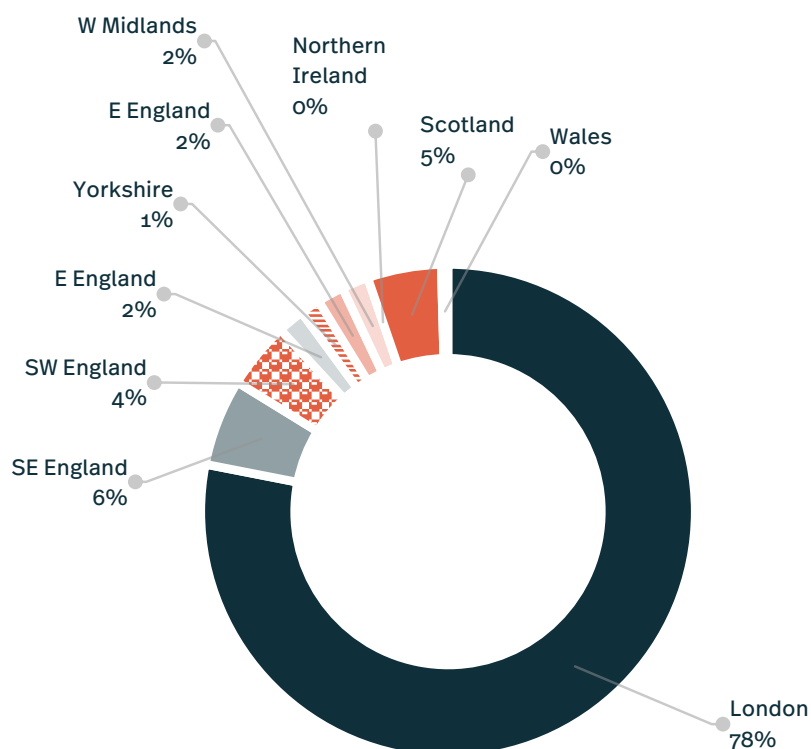


Fig. 6
NEF/NEF+ alumni
status.



'Other' includes people working in government / not for profit, academia, self-employment or not working.

3.5 Policy Development

One of the primary objectives for CFE's research output is to see our report recommendations put into action. We can directly evidence action in the case of our IAN and REN activities. Additionally, over the last year a number of other CFE initiatives have fed into policy development activity, as follows:

- We had significant input into the UK Government's Spinout Review (November 2023), which aims to increase the scale and impact of high technology businesses created by UK universities.
- Delivering a bespoke briefing to the UK Department for Business and Trade(?) on the data, analysis and insights from the 'Incubation Nation' report.
- CFE's 2016 research report 'Putting the Uni into Unicorns' was cited by the New South Wales Government, in their report on the NSW startup ecosystem.

4.0 Future Plans

The post-pandemic economic environment continues to be challenging for a small charity to negotiate: despite our strong and growing record of impact, CFE continues to face significant headwinds and challenges. Our donors and supporters seek greater impact, across a wider range of beneficiaries, network members face budget constraints, programme applicants are juggling financial commitments and a challenging business landscape in which to launch new, risky ventures. We also face increased and sustained cost pressures across all of our activities, but most notably in the high-touch NEF+ programme. Additionally, the last 12 months saw the large-scale deployment of generative Artificial Intelligence technology which has the potential to transform every conceivable aspect of our business and personal lives. Closer to home, our 2022 Incubation Nation report identified huge growth in the volume and scale of business support programmes across the whole of the UK.

In immediate and practical terms, the combination of all of the above factors have had an adverse effect on the NEF+ programme – prospective applicants have more choice, of lower-priced programmes – many of which offer highly attractive support packages, including direct investment opportunities which CFE, as a charity, simply cannot compete with. Following the end of the financial year 2022/23, CFE's Trustees completed a strategic review of the NEF+ programme and concluded that it was no longer viable in its current form, and tasked the leadership team with developing a successor programme that would deliver wider benefits to a larger potential pool of beneficiaries, utilising AI capabilities to deliver a significant improvement in cost efficiency and improved outcomes.

The new approved strategy is to launch – by the start of 2024/25 two all-new programmes, centred on the needs of early-stage founders, and delivered – for the first time for CFE – on a national footprint across the UK:

A programme of short duration, in person 'pre-founder bootcamp' events, which will provide aspiring entrepreneurs with training covering the founder journey, basic business skills and connections and signposts to help them convert their ideas and ambitions into tangible action. Through the in-person format, coupled with linkages to local delivery partners and startups, they will also get connections to a ready-made support network that will assist their development journeys.

An online learning platform that will utilise AI technology to provide a unique development environment for early-stage founders – through a combination of interactive learning material and an AI-powered 'co-pilot' that will guide and support founders, helping them to apply new skills and knowledge directly to their business, providing feedback, assistance and access to additional learning material and content. This initiative will be transformative – centring the learning experience on founders' – helping solve fundamental business challenges (as opposed to following a set curriculum) and linking learning directly to business outcomes. It builds on the core NEF+ 'learn > apply' approach that has driven positive impact, and through a digital delivery model, will open up a larger and more diverse opportunity.

Having approved the new strategy, the Trustees are fully focused on ensuring that the plans are successfully delivered. Our key priorities and target over the coming months are:

- Working closely with our existing and prospective supporters to deliver sufficient funding to meet budget targets going into 2024/25. We have made positive early progress in these areas, notably in relation to 'bootcamps' but have a great deal more to do across the full set of activities.
- Implementing a delivery roadmap which balances ambitious timescales with a genuinely transformational product and customer experience. Our top-line target dates are:
 - First, test bootcamp events (x3): Q1 (Jan-Mar) 2024; national rollout – 10-12 events per year, from the beginning of FY 2024/25.
 - Prototype online learning platform available by end-Q1 2024; MVP by Q1 2024/25 (Apr-Jun) and full product by summer 2024; first 500 customers onboarded before end-2024.

We will continue to engage with, and support the NEF alumni community, through ongoing alumni learning events, creating and nurturing industry sector-specific accountability groups and supporting social and networking activities.

CFE remains totally committed to our core principles of 'research – deliver – connect', with a fundamental belief in the positive long-term impact of our work on the entrepreneurship ecosystem as a whole.

5.0 Finance and Risk

5.1. Financial Review

Total income for the year was £462,355 (2022 – £1,461,987). This consisted of charitable income comprising contributions from sponsor companies and donations of £315,314 (2022 – £1,333,912) and income from charitable activities of £47,425 (2022 – £49,922). Income from other trading activities totalled £99,398 (2022 – £78,150).

Expenditure for the year totalled £938,050 (2022 – £974,066).

Expenditure on charitable activities for the year amounted to £919,465 (2022 – £945,412). This comprised £664,469 (2022 – £732,775) in respect of the NEF+ Programme and £254,996 (2022 – £212,637) in respect of the Think Tank programme. Costs of raising funds was £18,585 (2022 – £28,654).

This resulted in a net deficit for the year of £475,695 (2022 – surplus of £487,921) and total funds at 31 March 2023 of £371,703 (2022 – £847,398).

The general unrestricted funds at 31 March 2023 were £371,703 (2022 – £847,398). Of this balance, £368,402 (2022 – £843,884) constitutes the charity's free reserves carried forward as discussed below.

5.2. 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 31 March 2023 this figure equates to approximately £125,000. 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 £371,703 (2022 – £847,398).

£3,301 (2022 – £3,514) represents fixed assets held for use in the foundation's operations and therefore not liquid resources available for general expenditure.

£368,402 (2022 – £843,884) equates to free reserves. This falls above the target free reserves set in the policy above however given the continuing uncertain operating environment, the trustees deem that in the short term, holding reserves in excess of the normal reserves policy is prudent.

The trading subsidiary has net liabilities of £501,412 (2022 – £208,568). The deficit within the subsidiary reflects the staff time and associated overhead costs required to run the NEF+ programme relative to the level of programme fees generated. The trustees are mindful of the government's guidance on trading subsidiaries (CC35) and are actively considering how the trading entity is operating. It is likely that the expenditure will ultimately be borne by the charity out of retained funding that was provided to support the NEF+ programme, as it constitutes charitable expenditure within the charity's objects.

5.3. 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 2022/23 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 CFE's ability to continue operations is raising sufficient donations each year. 2022/23 has been a year of transition for the charity – the focus for 2023/24 and subsequent years is to extend and broaden the donor base, building long-term relationships that cover the full extent of CFE's activities, reducing the risk of reliance on certain funding sources.

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.

5.4. 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:



Deirdre Stirling

Trustee

29 January, 2024

6.0 Auditor's Report

Independent auditor's report to the members of the Centre for Entrepreneurs Limited

OPINION

We have audited the financial statements of the Centre for Entrepreneurs Limited (the 'charitable parent company') and its subsidiary (the 'group') for the year ended 31 March 2023 which comprise the group statement of financial activities, the group and parent charity balance sheets, and group 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 group's and charitable parent company's affairs as at 31 March 2023 and of the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and charitable parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

OTHER INFORMATION

The trustees are responsible for the other information. The other information comprises the information included in the annual report, 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, which is also the directors' report for the purposes of company law, for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report, which is also the directors' report for the purposes of company law, 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 group and charitable parent 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 by the charitable parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable parent company 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

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

In preparing the financial statements, the trustees are responsible for assessing the group's and the charitable parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the charitable parent 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations; and
- we obtained an understanding of the legal and regulatory frameworks that are applicable to the charity and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011).

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions; and
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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. 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

29 January, 2024

7.0 Consolidated statement of financial activities

	Notes	Restricted funds £	Unrestricted funds £	2023 £	2022 £
Income and expenditure					
Income:					
Donations	1	75,000	240,314	315,314	1,333,911
Charitable activities	2	–	47,425	47,425	49,922
Other trading activities	3	–	99,398	99,398	78,150
Bank interest		–	218	218	4
Total income		75,000	387,355	462,355	1,461,987
Expenditure:					
Costs of raising funds	6	–	18,585	18,585	28,654
Expenditure on charitable activities:					
· NEF+ Programme		75,000	589,469	664,469	732,775
· Research and Networks activity		–	254,996	254,996	212,637
	5	75,000	844,465	919,465	945,412
Total expenditure	4	75,000	863,050	938,050	974,066
Net income (expenditure) and net movement in funds		–	(475,695)	(475,695)	487,921
Reconciliation of funds:					
Fund balances brought forward at 1 April 2022		–	847,398	847,398	359,477
Fund balances carried forward at 31 March 2023		–	371,703	371,703	847,398

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

All funds in the comparative period were unrestricted.

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

The notes to the accounts on pages 39 to 46 form part of these financial statements.

8.0 Balance sheets

	Notes	Group 2023 £	Charity 2023 £	Group 2022 £	Charity 2022 £
Fixed assets					
Tangible fixed assets	11	3,301	3,301	3,514	3,514
Current assets					
Debtors	13	24,583	694,961	30,701	104,791
Cash at bank and in hand		391,744	207,408	848,778	763,198
		416,327	902,369	879,479	867,989
Liabilities:					
Creditors: amounts falling due within one year	14	(47,925)	(32,555)	(35,595)	(24,105)
Net current assets		368,402	869,814	843,884	843,884
Total net assets		371,703	873,115	847,398	847,398
The funds of the charity:					
Unrestricted funds					
. General funds		371,703	873,115	847,398	847,398
. Designated funds	15	--	---	--	--
		371,703	873,115	847,398	847,398

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



Deirdre Stirling, Trustee

Centre for Entrepreneurs Limited, Company Limited by Guarantee
Registration Number 07469562 (England and Wales)

Approved by the Trustees on 29 January, 2024

9.0 Consolidated statement of Cash Flows

	Notes	2023 £	2022 £
Cash flows from operating activities:			
Net cash provided by operating activities	A	(456,520)	470,889
Cash flows from investing activities:			
Purchase of tangible fixed assets		(732)	(2,885)
Interest received		218	4
Net cash (used in) provided by investing activities		(514)	(2,881)
Change in cash and cash equivalents in the year		(457,034)	468,008
Cash and cash equivalents at 1 April 2022	B	848,778	380,770
Cash and cash equivalents at 31 March 2023	B	391,743	848,778

Notes to the statement of cash flows for the year to 31 March 2023.

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

	2023 £	2022 £
Net movement in funds (as per the statement of financial activities)	(475,695)	487,921
Adjustments for:		
Depreciation charge	945	5,988
Interest receivable	(218)	(4)
Loss on disposal of fixed assets	–	–
(Increase) decrease in debtors	6,118	(463)
(Decrease) increase in creditors	12,330	(22,553)
Net cash provided by operating activities	(456,520)	468,889

B Analysis of changes in net debt

	2022 £	Cashflows £	2023 £
Cash at bank and in hand	848,778	(457,034)	391,744
Total cash and cash equivalents	848,778	(457,034)	391,744

10.0 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 31 March 2023 with the comparative information prepared for the period to 31 March 2022.

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), 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.

BASIS OF CONSOLIDATION

The statement of financial activities and the balance sheet consolidate the assets, liabilities, income and expenditure of the charity and its wholly owned subsidiary undertaking, CFE Trading Limited. The results of the subsidiary undertaking are consolidated on a line-by-line basis.

No separate statement of financial activities has been presented for the charity alone as permitted by section 408 of the Companies Act 2006.

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 with respect to estimating the allocation of support costs between programmes and the designation of outstanding expenditure required for the candidates to complete their training programme and estimating future cash flows for the purpose of assessing going concern.

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 with regard to a period of one year from the date of approval of these accounts. As further detailed within the trustees' report, in making this assessment, the trustees have given due consideration to the impact of the current economic climate on the operational and financial activities of the charity.

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.

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

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated using the straight line method to allocate the depreciable amount of the assets to their residual values and their estimated useful lives are as follows:

- Website – intangible asset (other fixed asset) three years

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 payments 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.

Restricted funds

Restricted funds are those which can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when funds are raised for particular restricted purposes.

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 making its contributions and paying across the deductions for the employees' contributions.

FINANCIAL INSTRUMENTS

The charity holds basic financial instruments as defined by FRS 102. The financial assets and financial liabilities of the charity and their measurement basis are as follows:

Financial assets – other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

Cash at bank – classified as a basic financial instrument and is measured at fair value.

Financial liabilities – accruals and other creditors are financial instruments, and are measured at amortised cost. Deferred income is not a financial instrument.

11.0 Notes to the Financial Statements

1. Donations

	Restricted funds £	Unrestricted funds £	2023 Total funds £	2022 Total funds £
Donations	75,000	25,415	100,415	1,117,912
Gift aid receivable	–	–	–	8,963
Other donations	–	63,157	63,157	52,637
Gifts in kind	–	151,742	151,742	154,400
	75,000	240,314	315,314	1,333,912

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

2. Income from charitable activities

	Restricted funds £	Unrestricted funds £	2023 Total funds £	2022 Total funds £
CFE income – Refugee Entrepreneurship Network (REN)	–	36,425	36,425	28,422
CFE income - Incubator and Accelerator Network (IAN)	–	11,000	11,000	21,500
	–	47,425	47,425	49,922

3. Other trading activities

	Restricted funds £	Unrestricted funds £	2023 Total funds £	2022 Total funds £
Host company participation fees	–	–	–	(1,667)
CFE Networks - IAN conference	–	16,815	16,815	3,900
NEF+ programme fees	–	82,583	82,583	75,917
	–	99,398	99,398	78,150

4. Analysis of total expenditure

	Direct costs £	Support costs (note 6) £	2023 Total funds £	Direct costs £	Support costs (note 6) £	2022 Total funds £
Costs of raising funds	–	18,585	18,585	–	28,654	28,654
Charitable expenditure						
. Charitable activities (note 5)	486,095	433,370	919,465	510,847	434,565	945,412
	486,095	451,955	938,058	510,847	463,219	947,066

5. Charitable activities

	Restricted funds £	Unrestricted funds £	2023 Total funds £	2022 Total funds £
NEF+ Programme				
Candidate recruitment	3,360	26,412	29,772	62,037
Training programmes	31,805	249,974	281,779	261,785
CVC innovation	---	---	---	45,000
Support costs (note 6)	39,835	313,083	352,918	363,953
	75,000	589,469	664,469	732,775
Research and Networks activity				
Research and reporting	---	121,785	121,785	66,532
Home Office project	---	---	---	22,249
Staff costs	---	52,759	52,759	53,244
Support costs (note 6)	---	80,452	80,452	70,612
	---	254,996	254,996	212,637
	75,000	844,465	919,465	945,412

6. Support costs

The support costs (including governance costs) incurred during the year to 31 March 2023 and the basis of their allocation were as follows:

	Raising funds £	Charitable activities £	2023 Total funds £	Raising funds £	Charitable activities £	2022 Total funds £
Staff costs	11,482	247,569	259,051	17,550	280,832	298,382
Staff recruitment and training	171	4,473	4,644	229	4,366	4,595
Strategic project	---	---	---	35	659	694
Travelling costs	15	359	374	727	13,842	14,569
Advertising	533	13,954	14,487	—	—	—
Office costs	2,713	70,971	73,685	3,292	62,661	65,953
Events, entertaining and gifts	157	4,111	4,268	128	2,436	2,564
Depreciation	35	910	945	199	3,788	3,987
Consultancy fees	---	---	---	3,195	3,195	6,390
Legal and professional fees	161	4,221	4,382	260	4,953	5,213
Audit and accounting fees	2,266	59,269	61,535	913	17,367	18,280
Irrecoverable VAT	455	11,904	12,359	1,870	35,598	37,468
Other governance costs	154	4,035	4,189	137	2,613	2,750
Bad debt expense	308	8,067	8,375	75	1,425	1,500
Foreign currency loss	135	3,527	3,662	44	830	874
	18,585	433,370	451,955	28,654	434,565	463,219
Allocated to						
NEF+ Programme	17,383	352,918	370,301	26,972	363,953	390,925
Research and Networks activity	1,202	80,452	81,654	1,682	70,612	72,294
	18,585	433,370	451,955	28,654	434,565	463,219

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.

7. Governance costs

	2023 Total funds £	2022 Total funds £
Auditor's remuneration		
. Current year audit fees	12,250	10,150
. Prior year additional fee:	8,550	-
. Non-audit fees:		
.. Payroll, VAT and tax	16,985	7,885
Accounting fees	23,750	18,733
Legal and professional fees		
. Other fees	4,189	3,450
	65,724	40,218

8. Staff costs

Staff costs during the year were as follows:

	2023 £	2022 £
Wages and salaries	257,556	302,002
Social security costs	24,587	32,855
Pension costs	29,667	16,769
Redundancy costs	---	—
	311,810	351,626
Relating to		
Research and Networks activity (note 5)	52,759	53,244
Support costs (note 6)	259,051	298,382
	311,810	351,626

One employee received remuneration of between £70,000 and £80,000 during the year (2022 – one between £110,000 and £120,000 and one between £70,000 and £80,000). Pension contributions of £4,410 (2022 – £14,065) were made in respect of these employees.

During the year the average number of staff was 5 (2022 – 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, the Director of Research and Policy and the Deputy CEO. The total remuneration (including taxable benefits and employer's pension contributions) of the key management personnel for the year was £196,471 (2022 – £339,867).

During the year no Trustees received any remuneration. No trustees received reimbursement for expenses incurred in support of the Centre for Entrepreneurs.

9. Net expenditure and net movement in funds

This is stated after charging:

	2023 Total funds £	2022 Total funds £
Staff costs (note 8)	311,811	351,626
Auditor's remuneration		
. Audit fees	12,250	10,150
. Prior year additional fee	8,550	
. Non-audit fees	16,985	7,885
Depreciation (note 11)	945	5,988

10. Taxation

The Centre for Entrepreneurs Limited 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

Group and Charity	Computers and office equipment £	Other assets £	Total £
Cost			
At 31 March 2022	18,192	12,087	30,279
Additions	732	–	732
At 31 March 2023	18,924	12,087	31,011
Depreciation			
At 31 March 2022	14,746	12,019	26,765
Charge for the year	877	68	945
At 31 March 2023	15,623	12,087	27,710
Net book value			
As at 31 March 2023	3,301	–	3,301
As at 31 March 2022	3,446	68	3,514

12. Investment in subsidiary undertaking

The Centre for Entrepreneurs Limited owns 100% of the issued share capital of CFE Trading Limited, a company registered in England and Wales (Company Number 11047500).

A summary of the results of the subsidiary for the period to March 2023 is shown below:

	Year to 31 March 2023 £	Year to 31 March 2022 £
Turnover	90,083	89,238
Cost of sales	(364,118)	(288,949)
Gross loss	(274,035)	(199,711)
Administration expenses	(18,809)	(8,858)
Operating (loss) profit	(292,844)	(208,569)
Distribution under Gift Aid to Centre for Entrepreneurs Limited	–	–
Retained earnings as at 1 April	(208,569)	–
Retained losses carried forward as at 31 March	(501,413)	(208,569)

The company's assets and liabilities at 31 March 2023 were as follows:

	2023 £	2022 £
Assets	197,637	101,525
Liabilities	(699,049)	(310,093)
Net assets	(501,412)	(208,568)

The deficit within the subsidiary reflects the staff time and associated overhead costs required to run the NEF+ programme relative to the level of programme fees generated. The trustees are mindful of the government's guidance on trading subsidiaries (CC35) and are actively considering how the trading entity is operating. It is likely that the expenditure will ultimately be borne by the charity out of retained funding that was provided to support the NEF+ programme, as it constitutes charitable expenditure within the charity's objects.

Following the decision to conclude the NEF+ programme, with the completion of the last cohort taking place in October 2023, the trustees will approve a grant covering the deficit incurred by the subsidiary in respect of NEF+ delivery costs. NEF+ forms part of the charity's mission, and funds raised from donors and supporters who expect the charity to carry out this work will be used to relieve the trading entity of the excess costs incurred.

13. Debtors

	Group 2023 £	Charity 2023 £	Group 2022 £	Charity 2022 £
Prepayments	–	–	376	376
Gift aid receivable	2,500	2,500	2,500	2,500
VAT Recoverable	6,473	9,738	–	–
Other debtors	15,610	2,310	27,825	11,800
Amounts owed by subsidiary undertaking	–	680,413	–	90,115
	24,583	694,961	30,701	104,791

14. Creditors: amounts falling due within one year

	Group 2023 £	Charity 2023 £	Group 2022 £	Charity 2022 £
Trade creditors	11,722	1,853	1,936	1,936
Taxation and social security	6,328	6,327	15,809	12,819
Accruals and deferred income	29,875	24,375	17,850	9,350
	47,925	32,555	35,595	24,105

15. Designated funds

A designated fund was held and released for £40,170 in the year to 31 March 2022 for the costs involved in concluding the NEF Fast Track programme for April to June 21. No such designation was required this year as the latest cohort's finish was coterminous with the year end.

16. Analysis of net assets between funds

Fund balances at 31 March 2023 are represented by:

Group	General fund £	Designated fund £	2023 Total funds £	General fund £	Designated fund £	2022 Total funds £
Tangible fixed assets	3,301	---	3,301	3,514	–	3,514
Current assets	416,327	---	416,327	879,479	–	879,479
Creditors amounts falling due within one year	(47,925)	---	(47,925)	(35,595)	–	(35,595)
Total net assets	371,703	---	371,703	847,398	–	847,398

Charity	General fund £	Designated fund £	2023 Total funds £	General fund £	Designated fund £	2022 Total funds £
Tangible fixed assets	3,301	–	3,301	3,514	–	3,514
Current assets	902,369	–	902,369	879,479	–	879,479
Creditors amounts falling due within one year	(32,555)	–	(32,555)	(35,595)	–	(35,595)
Total net assets	873,115	–	873,115	847,398	–	847,398

17. Related party transactions

During the year, the charity received donations of £2,000 (2022 - £11,000) from trustees.

As part of the partnership agreement with Founders Forum Group (FFG), CFE received a corporate donation of £20,000 plus Gift In Kind benefits valued at £49,200. CFE paid FFG £1,236.01 in respect of hospitality for CFE staff attending FFG-group staff events. One trustee is also the CEO of Founders Forum.

There were no further related party transactions which required disclosure (2022: none).





Annual Report and Financial Statements

Financial Year 2022/23

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