

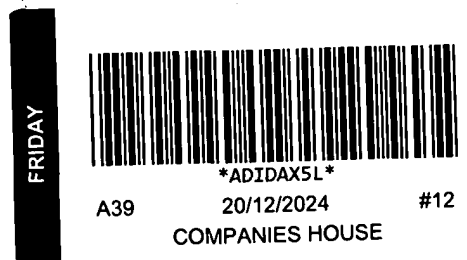
# Entrepreneur First Operations Limited

Annual Report and Financial Statements

Period Ended

31 March 2024

Company Number 09064488



# Entrepreneur First Operations Limited

## Company Information

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<b>Directors</b>	A Bentinck M Clifford
<b>Registered number</b>	09064488
<b>Registered office</b>	Senna Building Gorsuch Place London E2 8JF
<b>Independent auditors</b>	BDO LLP 55 Baker Street London W1U 7EU

# Entrepreneur First Operations Limited

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# Entrepreneur First Operations Limited

## Group Strategic Report For the Period Ended 31 March 2024

### Introduction

The directors present their Group Strategic Report together with the audited financial statements for the 15 month period ended 31 March 2024. The Company changed its financial period end date from 31 December 2023 to 31 March 2024. Comparative results are presented for the year ended 31 December 2022. The financial period end date was changed to align with the wider group.

Entrepreneur First Operations Limited ("the Company") and its subsidiaries (together "the Group"), which during 1 January 2023 to 31 March 2024 included Entrepreneur First SG Ops Pte. Limited, Entrepreneur First (USA) Operations LLC, Entrepreneur First (Hong Kong) Operations Limited, EFOL India Private Limited and Entrepreneur First Canada Operations Limited. Entrepreneur First Singapore Investment Pte. Limited and Entrepreneur First Singapore Investment || Pte. Limited are 100% owed subsidiaries of Entrepreneur First Operations Limited but have been excluded from the consolidated accounts as discussed in note 11.

### Principal activity

The Group and Company's principal activities are the provision of programmes to develop and link entrepreneurs and potential investors and the investment in Entrepreneur First ("EF") related funds.

### Business review

The key financial and other performance indicators during the period/year of account were as follows:

	31 March 2024	31 December 2022
Turnover	£21,776,926	£15,708,359
Operating profit	£2,378,613	£1,450,264
Earnings before interest, tax, depreciation and amortisation	£679,714	£2,992,643
(Loss)/profit after tax	(£7,229,115)	£1,409,626
Shareholders' funds	£103,432,195	£78,402,961
Current assets as % of current liabilities	4,259%	1,298%

This loss was in line with the expectations of the Group which is driven by large investments into Entrepreneur Investment (II) LP where large impairments are expected.

During 2021, the Group completed a Series C funding round totalling \$158m which will be received in equal instalments over 4 years, the first three of these instalments were received between December 2021 and December 2023, with the fourth expected in December 2024. This has resulted in a significant increase in Shareholders' funds during the period. This will fund the Group for the foreseeable future and enable the Group to continue to deliver programmes and grow its global presence.

During the period, the Company made no indirect contribution (31 December 2022 - £4,742,308) into Entrepreneur First Investment LP via transfer of its own investments in cohorts, in which Entrepreneur First Singapore Pte Ltd is a beneficiary.

During the period, the Company made a contribution into Entrepreneur First Singapore Investment Pte Ltd of £170,000 (31 December 2022 - £Nil). This is shown as an addition within "Investments in subsidiary companies" (see note 11).

During the period, the Company made a contribution into Entrepreneur First Singapore Investment (II) Pte Ltd of £38,425,191 (31 December 2022 - £7,358,254). This is shown as an addition within "Investments in subsidiary companies" (see note 11).

# Entrepreneur First Operations Limited

## Group Strategic Report (continued) For the Period Ended 31 March 2024

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### Business review (continued)

During the period, Entrepreneur First Singapore Investment (II) Pte Ltd made a contribution into Entrepreneur First Investment (II) LP of £38,032,877 (31 December 2022 - £7,008,072), an entity in which it is a beneficial partner. This is included in the fair value of the subsidiary companies.

During the period, the Group made the decision to halt programme operations in Singapore, Germany, and Canada, and to commence programme operations in the US. Entrepreneur First (Hong Kong) Operations Ltd ceased its operations in the year and has been wound up by the Group.

### Principal risks and uncertainties

#### Foreign currency risk

The Group has transactions in currencies other than Sterling. As a result the value of the Group's non-sterling denominated purchases and cash flows can be significantly affected by movements in exchange rates in general.

The Group holds monetary assets and liabilities in which the underlying currency is a currency other than the Group's functional currency which is Sterling. Revaluation of the such assets and liabilities is performed on a monthly basis with movements reflected in profit and loss as they arise.

#### Liquidity risks

The Group aims to manage liquidity risks by managing cash generation by its operations and applying cash collection targets. Investment is carefully controlled via an annual budget process and ad hoc expenditure and major business decisions are monitored and approved by the key management personnel.

#### Credit risks

Any risks associated with third parties failing to honour their transactional obligations is minimised through contractual agreement and through the business's in house credit control function. The key payee is an Entrepreneur First related party where the performance is reviewed on a regular basis to ensure that exposure to bad debts is minimised. The Company has credit exposure with intercompany balances due from subsidiaries, these have been thoroughly reviewed for which relevant provisions have been made at the balance sheet date. The Group has exposure with its investments held, these have been thoroughly reviewed wherever necessary and an impairment provision has been made for the relevant investments at the balance sheet date.

This report was approved by the board on 18 December 2024 and signed on its behalf.



**A Bentinck**  
Director

# Entrepreneur First Operations Limited

## Directors' Report For the Period Ended 31 March 2024

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The directors present their report together with the audited financial statements for the 15 month period ended 31 March 2024.

### Results and dividends

The Company changed its financial period end date from 31 December 2023 to 31 March 2024. Comparative results are presented for the year ended 31 December 2022. The financial period end date was changed to align with the wider group.

The loss for the 15 month period, after taxation, amounted to £7,229,115 (year ended 31 December 2022 - profit of £1,409,626).

The directors do not propose a final dividend in respect of the period ended 31 March 2024 (year ended 31 December 2022 - £Nil). No interim dividend was paid during the period (year ended 31 December 2022 - £Nil).

### Directors

The directors who served during the period were:

A Bentinck  
M Clifford

### Going concern

The financial statements have been prepared on a going concern basis which assumes the Group will continue in operational existence for the foreseeable future. In assessing the going concern position of the Group, the directors have considered the Group's cash flows, liquidity and business activities. At 31 March 2024 the Group had a cash balance of £46,514,397 (31 December 2022 - £45,579,159) and net assets of £103,432,195 (31 December 2022 - £78,402,961).

Given the Group's financial performance since the Statement of Financial Position date, its strong Statement of Financial Position and access to funding, including the final instalment of the Series C funding round, totalling \$39m which is due to be received within the next year. The directors believe that the business is able to continue to operate effectively for at least 12 months from the date of the audit report and remains a going concern.

The directors have considered a number of changes to the macro environment, including stress tests assuming significant decreases in revenue throughout the 12 month assessment period. In all scenarios the Group has sufficient liquidity to operate in the foreseeable future.

On this basis the directors have prepared the financial statements on a going concern basis which assumes the Company will continue in operational existence for the foreseeable future.

### Future developments

The Company will continue to provide programmes to develop and link entrepreneurs and potential investors.

### Branches outside the United Kingdom

The Company currently operates branches in France and Germany.

### Financial risk management

The Group's principal financial instruments comprise cash, fixed asset investments and short term trading balances. The Group's treasury function takes out forward currency contracts to manage this risk. The main purpose of the forward currency contracts is to reduce the impact of currency exchange movements on trading results.

# Entrepreneur First Operations Limited

## Directors' Report (continued) For the Period Ended 31 March 2024

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### Matters covered in the Strategic Report

Principal risks and uncertainties have been considered in the Strategic Report.

### Events after the end of the reporting period

Management has assessed other subsequent events up to the date of authorisation of these financial statements and determined that there are no additional significant events requiring adjustment or disclosure.

### Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

### Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 18 December 2024 and signed on its behalf.



**A Bentinck**  
Director

# Entrepreneur First Operations Limited

## Directors' Responsibilities Statement For the Period Ended 31 March 2024

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The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the Group and Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# Entrepreneur First Operations Limited

## Independent Auditor's Report to the Members of Entrepreneur First Operations Limited

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### Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 March 2024 and of the Group's loss and the Parent Company's loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Entrepreneur First Operations Limited ("the Parent Company") and its subsidiaries ("the Group") for the 15 month period ended 31 March 2024 which comprise Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Company Statement of Financial Position, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Statement of Cash Flows and notes to financial statements including a summary of significant accounting policies. 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).

### 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Independence*

We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' 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 or 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.

# Entrepreneur First Operations Limited

## Independent Auditor's Report to the Members of Entrepreneur First Operations Limited (continued)

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### Other information

The Directors are responsible for the other information. The other information comprises the information included in the Group Strategic Report and Directors' 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

### Other Companies Act 2006 reporting

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

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

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' 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 Parent Company, 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 Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### Responsibilities of directors

As explained more fully in the Statement of Directors Responsibilities, the Directors 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 Directors 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 Directors are responsible for assessing the Group's and the 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 Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

# Entrepreneur First Operations Limited

## Independent Auditor's Report to the Members of Entrepreneur First Operations Limited (continued)

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### 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.

#### *Extent to which the audit was capable of detecting irregularities, including fraud*

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:

#### *Non-compliance with laws and regulations*

We gained an understanding of the legal and regulatory framework applicable to the Group, the policies and procedures regarding compliance with laws and regulations and the industry in which it operates and considered the risk of acts by the Group which were contrary to applicable laws and regulations, including fraud.

Our tests included, but were not limited to:

- Obtaining an understanding of the control environment in monitoring compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Enquiries of management and those charged with governance regarding any instances of non-compliance with laws and regulations; and
- Review of minutes of the board meetings throughout the period regarding any instances of non-compliance with laws and regulations.

#### *Fraud*

We assessed the susceptibility of the financial statements to material misstatement, including fraud.

Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
  - Detecting and responding to the risks of fraud; and
  - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

# Entrepreneur First Operations Limited

## Independent Auditor's Report to the Members of Entrepreneur First Operations Limited (continued)

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### Auditor's responsibilities for the audit of the financial statements (continued)

#### *Fraud (continued)*

Based on our risk assessment, we considered the areas most susceptible to fraud to be valuation of investments and management override of controls.

Our procedures in respect of the above included:

- Assessing significant estimates made by management in the valuation of Investments for bias; and
- Testing journals, based on risk assessment criteria as well as an unpredictable sample, and evaluating whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://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 Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:  
*Vanessa Bradley*  
6052FC68EBD8446...

**Vanessa-Jayne Bradley** (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
London  
United Kingdom

Date: 18 December 2024

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# Entrepreneur First Operations Limited

## Consolidated Statement of Comprehensive Income For the Period Ended 31 March 2024

	Note	15 month period ended 31 March 2024 £	Year ended 31 December 2022 £
Turnover	4	21,776,926	15,708,359
Cost of sales		<u>(7,833,454)</u>	<u>(8,667,504)</u>
<b>Gross profit</b>		<b>13,943,472</b>	<b>7,040,855</b>
Administrative expenses		<b>(13,283,114)</b>	<b>(7,311,975)</b>
Other operating income	5	<b>1,718,255</b>	<b>1,721,384</b>
<b>Operating profit</b>	<b>6</b>	<b>2,378,613</b>	<b>1,450,264</b>
Impairment of fixed asset investments	11	<b>(94,449)</b>	<b>(62,397)</b>
Unrealised loss on investments measured at fair value	11	<b>(11,381,595)</b>	<b>(324,279)</b>
Realised gains on investments	11	<b>-</b>	<b>1,893,435</b>
<b>(Loss)/profit before taxation for the financial period/year</b>		<b>(9,097,431)</b>	<b>2,957,023</b>
Tax charge/(credit)	8	<b>1,868,316</b>	<b>(1,547,397)</b>
<b>(Loss)/profit for the financial period/year</b>		<b>(7,229,115)</b>	<b>1,409,626</b>
Currency translation gain/(loss)		<b>170,912</b>	<b>(569,682)</b>
<b>(Loss)/profit and total comprehensive income for the period/year attributable to owners of the Parent Company</b>		<b>(7,058,203)</b>	<b>839,944</b>

All above activities are from continuing operations except a write-off of an intercompany balance due to The Parent Company from Entrepreneur First (Hong Kong) Operations Ltd, for further details please refer to Note 23.

The notes on pages 20 to 46 form part of these financial statements.

**Entrepreneur First Operations Limited**  
Registered number:09064488

**Consolidated Statement of Financial Position**  
As at 31 March 2024

	Note	31 March 2024 £	31 March 2024 £	31 December 2022 £	31 December 2022 £
<b>Fixed assets</b>					
Intangible assets	9		10,520		12,083
Tangible assets	10		74,619		49,127
Investments	11		46,658,922		18,777,447
			<u>46,744,061</u>		<u>18,838,657</u>
<b>Current assets</b>					
Debtors	12	11,536,651		21,186,645	
Cash at bank and in hand		46,514,397		45,579,159	
		<u>58,051,048</u>		<u>66,765,804</u>	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	13	(1,362,914)		(5,142,607)	
<b>Net current assets</b>			<u>56,688,134</u>		<u>61,623,197</u>
Deferred taxation	16		-		(2,058,893)
<b>Net assets</b>			<u>103,432,195</u>		<u>78,402,961</u>
<b>Capital and reserves</b>					
Called up share capital	15		268		238
Share premium account	17		114,000,581		82,207,450
Foreign exchange reserve	17		(269,012)		(439,924)
Share option reserve	17		1,177,709		911,334
Profit and loss account	17		(11,477,351)		(4,276,137)
<b>Equity attributable to owners of the Parent Company</b>			<u>103,432,195</u>		<u>78,402,961</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 18 December 2024



**A Bentinck**  
Director

The notes on pages 20 to 46 form part of these financial statements.

**Entrepreneur First Operations Limited**  
Registered number:09064488

**Company Statement of Financial Position**  
As at 31 March 2024

	Note	31 March 2024 £	31 March 2024 £	31 December 2022 £	31 December 2022 £
<b>Fixed assets</b>					
Intangible assets	9		10,520		12,083
Tangible assets	10		69,374		38,692
Investments	11		46,694,633		18,848,642
			<u>46,774,527</u>		<u>18,899,417</u>
<b>Current assets</b>					
Debtors	12	11,802,694		20,707,959	
Cash at bank and in hand		45,939,985		44,988,533	
		<u>57,742,679</u>		<u>65,696,492</u>	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	13	(1,272,301)		(4,497,361)	
<b>Net current assets</b>			<u>56,470,378</u>		<u>61,199,131</u>
Deferred taxation	16		-		(2,058,893)
<b>Net assets</b>			<u><u>103,244,905</u></u>		<u><u>78,039,655</u></u>

**Entrepreneur First Operations Limited**  
Registered number:09064488

**Company Statement of Financial Position (continued)**  
As at 31 March 2024

	Note	31 March 2024 £	31 March 2024 £	31 December 2022 £	31 December 2022 £
<b>Capital and reserves</b>					
Called up share capital	15		268		238
Share premium account	17		114,000,581		82,207,450
Foreign exchange reserve	17		29,419		(58,667)
Share option reserve	17		1,177,709		911,530
Profit and loss account brought forward		(5,020,896)		(4,053,132)	
Loss for the period/year		(6,968,675)		(1,103,766)	
Movement in share options		26,499		136,002	
Profit and loss account carried forward	17		(11,963,072)		(5,020,896)
			<u>103,244,905</u>		<u>78,039,655</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 18 December 2024



**A Bentinck**  
Director

The notes on pages 20 to 46 form part of these financial statements.

## Entrepreneur First Operations Limited

### Consolidated Statement of Changes in Equity For the 15 Month Period Ended 31 March 2024

	Called up share capital	Share premium account	Foreign exchange reserve	Share option reserve	Profit and loss account	Total equity
	£	£	£	£	£	£
At 1 January 2023	238	82,207,450	(439,924)	911,334	(4,276,137)	78,402,961
<b>Comprehensive income for the period</b>						
Loss for the period	-	-	-	-	(7,229,115)	(7,229,115)
Currency translation gain	-	-	170,912	-	-	170,912
<b>Other comprehensive income for the period</b>	-	-	170,912	-	-	170,912
<b>Total comprehensive income for the period</b>	-	-	170,912	-	(7,229,115)	(7,058,203)
<b>Contributions by and distributions to owners</b>						
Shares issued during the period	30	31,793,131	-	-	-	31,793,161
Share options exercised during the year	-	-	-	(27,901)	27,901	-
Share options granted during the year	-	-	-	382,289	-	382,289
Other movement on share options	-	-	-	(88,013)	-	(88,013)
<b>Total transactions with owners</b>	30	31,793,131	-	266,375	27,901	32,087,437
<b>At 31 March 2024</b>	<b>268</b>	<b>114,000,581</b>	<b>(269,012)</b>	<b>1,177,709</b>	<b>(11,477,351)</b>	<b>103,432,195</b>

The notes on pages 20 to 46 form part of these financial statements.

## Entrepreneur First Operations Limited

### Consolidated Statement of Changes in Equity For the Year Ended 31 December 2022

	Called up share capital	Share premium	Foreign exchange reserve	Share option reserve	Profit and loss account	Total equity
	£	£	£	£	£	£
At 1 January 2022	206	49,730,505	129,758	486,889	(5,820,863)	44,526,495
<b>Comprehensive income for the year</b>						
Profit for the year	-	-	-	-	1,409,626	1,409,626
Currency translation loss	-	-	(569,682)	-	-	(569,682)
<b>Other comprehensive loss for the year</b>	-	-	(569,682)	-	-	(569,682)
<b>Total comprehensive income for the year</b>	-	-	(569,682)	-	1,409,626	839,944
<b>Contributions by and distributions to owners</b>						
Shares issued during the year	32	32,476,945	-	-	-	32,476,977
Share options exercised during the year	-	-	-	(125,534)	125,534	-
Share options granted during the year	-	-	-	618,818	-	618,818
Other movement on share options	-	-	-	(68,839)	9,566	(59,273)
<b>Total transactions with owners</b>	32	32,476,945	-	424,445	135,100	33,036,522
<b>At 31 December 2022</b>	<b>238</b>	<b>82,207,450</b>	<b>(439,924)</b>	<b>911,334</b>	<b>(4,276,137)</b>	<b>78,402,961</b>

The notes on pages 20 to 46 form part of these financial statements.

## Entrepreneur First Operations Limited

### Company Statement of Changes in Equity For the 15 Month Period Ended 31 March 2024

	Called up share capital	Share premium	Foreign exchange reserve	Share option reserve	Profit and loss account	Total equity
	£	£	£	£	£	£
At 1 January 2023	238	82,207,450	(58,667)	911,530	(5,020,896)	78,039,655
<b>Comprehensive income for the period</b>						
Loss for the period	-	-	-	-	(6,968,675)	(6,968,675)
Currency translation gain	-	-	88,086	-	-	88,086
<b>Other comprehensive income for the period</b>	-	-	88,086	-	-	88,086
<b>Total comprehensive income for the period</b>	-	-	88,086	-	(6,968,675)	(6,880,589)
<b>Contributions by and distributions to owners</b>						
Shares issued during the period	30	31,793,131	-	-	-	31,793,161
Share options exercised during the period	-	-	-	(27,901)	26,499	(1,402)
Share options granted during the period	-	-	-	382,289	-	382,289
Other movement on share options	-	-	-	(88,209)	-	(88,209)
<b>Total transactions with owners</b>	30	31,793,131	-	266,179	26,499	32,085,839
<b>At 31 March 2024</b>	<b>268</b>	<b>114,000,581</b>	<b>29,419</b>	<b>1,177,709</b>	<b>(11,963,072)</b>	<b>103,244,905</b>

The notes on pages 20 to 46 form part of these financial statements.

## Entrepreneur First Operations Limited

### Company Statement of Changes in Equity For the Year Ended 31 December 2022

	Called up share capital	Share premium	Foreign exchange reserve	Share option reserve	Profit and loss account	Total equity
	£	£	£	£	£	£
At 1 January 2022	206	49,730,505	115,964	486,889	(4,053,132)	46,280,432
<b>Comprehensive income for the year</b>						
Loss for the year	-	-	-	-	(1,103,766)	(1,103,766)
Currency translation loss	-	-	(174,631)	-	-	(174,631)
<b>Other comprehensive loss for the year</b>	-	-	(174,631)	-	-	(174,631)
<b>Total comprehensive income for the year</b>	-	-	(174,631)	-	(1,103,766)	(1,278,397)
<b>Contributions by and distributions to owners</b>						
Shares issued during the year	32	32,476,945	-	-	-	32,476,977
Share options exercised during the year	-	-	-	(125,534)	125,534	-
Share options granted during the year	-	-	-	618,818	-	618,818
Other movement on share options	-	-	-	(68,643)	10,468	(58,175)
<b>Total transactions with owners</b>	32	32,476,945	-	424,641	136,002	33,037,620
<b>At 31 December 2022</b>	<b>238</b>	<b>82,207,450</b>	<b>(58,667)</b>	<b>911,530</b>	<b>(5,020,896)</b>	<b>78,039,655</b>

The notes on pages 20 to 46 form part of these financial statements.

# Entrepreneur First Operations Limited

## Consolidated Statement of Cash Flows For the Period Ended 31 March 2024

	15 month period ended 31 March 2024 £	Year ended 31 December 2022 £
<b>Cash flows from operating activities</b>		
(Loss)/profit for the financial period	(7,229,115)	1,409,626
<b>Adjustments for:</b>		
Amortisation of intangible assets	1,563	1,250
Depreciation of tangible assets	51,886	34,370
Impairments of fixed asset investments	94,449	62,397
Unrealised loss on investments measured at fair value	11,381,595	324,279
Realised gain on investments	-	(1,893,435)
Loss on disposal of tangible fixed assets	12,870	22,666
Taxation charge	(1,868,316)	1,547,397
Decrease/(increase) in debtors	8,939,995	(14,679,906)
(Decrease)/increase in creditors	(3,450,521)	619,637
Share based payment charges	294,276	579,591
Corporation tax received	-	253
Foreign exchange	29,219	(1,010,904)
<b>Net cash generated from/(used in) operating activities</b>	<b>8,257,901</b>	<b>(12,982,779)</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(90,753)	(41,546)
Purchase of unlisted investments	(38,999,884)	(7,415,409)
<b>Net cash used in investing activities</b>	<b>(39,090,637)</b>	<b>(7,456,955)</b>

# Entrepreneur First Operations Limited

## Consolidated Statement of Cash Flows (continued) For the Period Ended 31 March 2024

	15 month period ended 31 March 2024 £	Year ended 31 December 2022 £
<b>Cash flows from financing activities</b>		
Issue of ordinary shares	31,793,160	32,476,977
<b>Net cash generated from financing activities</b>	31,793,160	32,476,977
<b>Net increase in cash and cash equivalents</b>	960,424	12,037,243
Cash and cash equivalents at beginning of period	45,579,159	33,103,374
Foreign exchange gains and losses	(25,186)	438,542
<b>Cash and cash equivalents at the end of period</b>	46,514,397	45,579,159
<b>Cash and cash equivalents at the end of period comprise:</b>		
Cash at bank and in hand	46,514,397	45,579,159

The notes on pages 20 to 46 form part of these financial statements.

# Entrepreneur First Operations Limited

## Notes to the Financial Statements For the Period Ended 31 March 2024

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### 1. General information

Entrepreneur First Operations Limited is a private company limited by shares incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the Company Information page and its principal activities are set out in the Group Strategic Report.

### 2. Accounting policies

#### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

#### *Parent Company disclosure exemptions*

In preparing the separate financial statements of the Parent Company, advantage has been taken of the following disclosure exemptions available to qualifying entities:

- Only one reconciliation of the number of shares outstanding at the beginning and end of the period has been presented as the reconciliations for the Group and the Parent Company would be identical;
- No cash flow statement or net debt reconciliation has been presented for the Parent Company;
- Company's income, expense and net gains on financial instruments measured at amortised cost have not been presented as equivalent disclosures have been provided in respect of the Group as a whole;
- Disclosures in respect of the details of the Parent Company's share-based payment arrangements have not been presented as equivalent disclosures have been provided in respect of the Group as a whole; and
- No disclosure has been given for the aggregate remuneration of the key management personnel of the Parent Company as their remuneration is included in the totals for the Group as a whole.

The following principal accounting policies have been applied:

# Entrepreneur First Operations Limited

## Notes to the Financial Statements For the Period Ended 31 March 2024

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### 2. Accounting policies (continued)

#### 2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries (other than those excluded from the consolidation as described in note 11) ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

#### 2.3 Going concern

The financial statements have been prepared on a going concern basis which assumes the Group will continue in operational existence for the foreseeable future. In assessing the going concern position of the Group, the directors have considered the Group's cash flows, liquidity and business activities. At 31 March 2024 the Group had a cash balance of £46,514,397 (31 December 2022 - £45,579,159) and net assets of £103,432,195 (31 December 2022 - £78,402,961).

Given the Group's financial performance since the Statement of Financial Position date, its strong Statement of Financial Position and access to funding, including the final instalment of the Series C funding round, totalling \$39m which is due to be received within the next year. The directors believe that the business is able to continue to operate effectively for at least 12 months from the date of the audit report and remains a going concern.

The directors have considered a number of changes to the macro environment, including stress tests assuming significant decreases in revenue throughout the 12 month assessment period. In all scenarios the Group has sufficient liquidity to operate in the foreseeable future.

On this basis the directors have prepared the financial statements on a going concern basis which assumes the Company will continue in operational existence for the foreseeable future.

#### 2.4 Reporting period

This set of financial statements is for a period of 15 months from 1 January 2023. The period was lengthened to align with that of the rest of the Group. Due to this, the comparative amounts showing in the accounts are not entirely comparable.

# Entrepreneur First Operations Limited

## Notes to the Financial Statements For the Period Ended 31 March 2024

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### 2. Accounting policies (continued)

#### 2.5 Foreign currency translation

##### Functional and presentation currency

The Company's functional currency is GBP while the functional currencies of the Company's branches are EUR. The functional currencies of the Company's subsidiaries are USD, CAD, INR and SGD.

The presentational currency of the Group is GBP.

##### Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

# Entrepreneur First Operations Limited

## Notes to the Financial Statements For the Period Ended 31 March 2024

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### 2. Accounting policies (continued)

#### 2.6 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

A description of the Group's revenue streams are as follows:

##### *Programme and Service Fees*

The Group earns both programme and service fees revenue from running programmes for entrepreneurs. These programmes are designed for entrepreneurs to find a co-founder, form an idea, and launch a company.

Revenue from programme fees are recognised in the accounting period in which the services are rendered. For programmes breaching the year end, revenue is recognised based on the proportion of the programme which has completed to the end of the reporting period. The directors have assessed that using this basis to ascertain the stage of completion satisfies the performance obligations under FRS102.

Revenue from service fees are recognised annually on a fixed fee contract basis. Where the contract has not been active for a full year by the balance sheet date, the fixed fee is reduced pro-rata in line with the number of days in the financial year from the commencement date. The directors have assessed that using this basis to ascertain the stage of completion satisfies the performance obligations under FRS102.

##### *Commercial Income*

The Group has various commercial arrangements with third parties through which it derives income. These arrangements include sponsorship and collaboration agreements.

##### *Income from deposits*

The Group actively manages its cash requirements and earns interest income on its utilised cash assets with short fixed term deposit accounts (<12 months). Interest rates on these accounts are fixed. Income is recognised over the duration of the deposit.

#### 2.7 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

# Entrepreneur First Operations Limited

## Notes to the Financial Statements For the Period Ended 31 March 2024

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### 2. Accounting policies (continued)

#### 2.8 Pensions

##### Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Consolidated Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

#### 2.9 Share-based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Group keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received.

# Entrepreneur First Operations Limited

## Notes to the Financial Statements For the Period Ended 31 March 2024

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### 2. Accounting policies (continued)

#### 2.10 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred income tax is determined based on the rates expected to apply at the date of reversal, using tax rates and laws that have been enacted or substantively enacted by the reporting date.

#### 2.11 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Amortisation is provided on the following bases:

Intellectual property	-	5 % straight-line
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Amortisation is recognised in administrative expenses in the Consolidated Statement of Comprehensive Income.

# Entrepreneur First Operations Limited

## Notes to the Financial Statements For the Period Ended 31 March 2024

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### 2. Accounting policies (continued)

#### 2.12 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is provided on the following basis:

Fixtures and fittings	-	33% straight-line
Office equipment	-	33% straight-line
Computer equipment	-	33% straight-line
Leasehold improvements	-	25% straight-line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Comprehensive Income.

#### 2.13 Valuation of investments

Investments in consolidated subsidiaries are measured at cost less accumulated impairment.

Investments in subsidiaries exempt from consolidation (as detailed in note 11) are measured at fair value and changes in fair value are included in the Statement of Comprehensive Income.

Investments in unlisted company shares are kept at cost which is deemed to be the fair value until there is a funding round upon which the investments are remeasured based on the latest share price at each year end. Gains and losses on remeasurement are recognised in the Consolidated Statement of Comprehensive Income for the period.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Comprehensive Income.

#### 2.14 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

# Entrepreneur First Operations Limited

## Notes to the Financial Statements For the Period Ended 31 March 2024

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### 2. Accounting policies (continued)

#### 2.15 Financial instruments

Financial assets including cash at bank and trade and other debtors are measured initially at transaction price (including transaction costs) and subsequently held at cost, less any impairment.

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities including trade and other creditors as well as bank overdrafts are measured initially at transaction price (including transaction costs) and subsequently held at amortised cost.

The Group has entered into forward currency contracts. These derivatives are measured at fair value at each reporting date with any movements in value recognised in the Consolidated Statement of Comprehensive Income.

### 3. Judgements in applying accounting policies and key sources of estimation uncertainty

Preparation of financial statements requires management to exercise judgement in applying the Group's accounting policies. Estimates and assumptions used in the preparation of the financial statements are continually reviewed as necessary.

In preparing these financial statements, the directors have made the following judgements:

- Determine whether there are indicators of impairment of the Group's intangible assets and investments. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.

#### *Other key sources of estimation uncertainty*

- Tangible fixed assets (see note 10)

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

- Investments (see note 11)

The most critical estimates and assumptions for unlisted investments and certain subsidiaries relate to the determination of carrying value of unlisted investments at fair value through profit and loss. In determining this amount, the Group applies the overriding concept that fair value is the amount for which an asset can be exchanged between knowledgeable willing parties in an arm's length transaction. The nature, facts and circumstance of the investment drives the valuation methodology. The directors have deemed that the latest funding round for each entity is a reliable indication of the fair value. Unlisted investments are held at cost which is deemed to be the fair value until there is a funding round upon which the investments are remeasured based on the latest share price at each year end.

# Entrepreneur First Operations Limited

## Notes to the Financial Statements For the Period Ended 31 March 2024

### 3. Judgements in applying accounting policies and key sources of estimation uncertainty (continued)

- Taxation (see note 8)

In calculating the Company's corporation tax liability, a discount is applied to the taxable value of certain investment disposals at a rate based on industry practices to reflect the lack of marketability, unproven track record and minority interest of the shareholdings. This is an estimate that could be subject to challenge or change, and any amendment could increase or decrease the amount of corporation tax payable, or the deferred tax position, in respect of the year/period ended 31 December 2022 and 31 March 2024 when the relevant disposals took place. As such, this could have a material impact on the Company's and Group's corporation tax liability resulting in a different amount of corporation tax becoming payable in a later accounting period. The carrying amount of the corporation tax liability at the reporting date for the Company and the Group is shown in note 13.

### 4. Turnover

An analysis of turnover by class of business is as follows:

	15 month period ended 31 March 2024 £	Year ended 31 December 2022 £
Launch fees	-	391,667
Programme fees	4,065,452	3,042,142
Service fees	17,711,474	12,274,550
	<u>21,776,926</u>	<u>15,708,359</u>

An analysis of turnover by country of destination:

	15 month period ended 31 March 2024 £	Year ended 31 December 2022 £
United Kingdom	20,322,878	14,730,831
Europe	1,270,054	977,528
North America	183,994	-
	<u>21,776,926</u>	<u>15,708,359</u>

# Entrepreneur First Operations Limited

## Notes to the Financial Statements For the Period Ended 31 March 2024

### 5. Other operating income

	15 month period ended 31 March 2024 £	Year ended 31 December 2022 £
Commercial income	33,446	162,950
Interest income	1,460,927	-
Recharged expenses	55,627	446,679
Other income	168,255	1,111,755
	<u>1,718,255</u>	<u>1,721,384</u>

Other income represents the Group's share of profit from Entrepreneur First Investment Manager LLP, a Company of which the Group is a member.

### 6. Operating profit

The operating profit is stated after charging/(crediting):

	15 month period ended 31 March 2024 £	Year ended 31 December 2022 £
Depreciation of tangible fixed assets	51,998	34,370
Amortisation of intangible assets	1,563	1,250
Loss on disposal of tangible fixed assets	14,029	22,666
Impairment of fixed asset investments	94,449	62,397
Fees payable to the Group's auditor for the audit of the Group's annual accounts	122,000	120,000
Realised/unrealised gains on foreign exchange	(1,056,589)	(438,542)
Defined contribution pension cost	272,712	265,651
Other operating lease rentals	1,329,766	698,053
Share based payment	294,274	579,591
	<u>294,274</u>	<u>579,591</u>

# Entrepreneur First Operations Limited

## Notes to the Financial Statements For the Period Ended 31 March 2024

### 7. Employees

Staff costs were as follows:

	Group 15 month period ended 31 March 2024 £	Group Year ended 31 December 2022 £	Company 15 month period ended 31 March 2024 £	Company Year ended 31 December 2022 £
Wages and salaries	7,637,544	7,548,580	6,113,722	4,124,072
Social security costs	1,062,512	663,281	1,012,298	653,268
Cost of defined contribution scheme	272,712	265,651	218,903	150,912
Share based payment expense	294,274	579,591	327,557	570,946
	<u>9,267,042</u>	<u>9,057,103</u>	<u>7,672,480</u>	<u>5,499,198</u>

The average monthly number of employees, including the directors, during the period was as follows:

	Group 15 month period ended 31 March 2024 No.	Group Year ended 31 December 2022 No.	Company 15 month period ended 31 March 2024 No.	Company Year ended 31 December 2022 No.
Programme	48	56	31	32
Operations	36	35	30	27
	<u>84</u>	<u>91</u>	<u>61</u>	<u>59</u>

During the period the directors did not receive any remuneration (year ended 31 December 2022 - £Nil).

# Entrepreneur First Operations Limited

## Notes to the Financial Statements For the Period Ended 31 March 2024

### 8. Taxation

	15 month period ended 31 March 2024 £	Year ended 31 December 2022 £
<b>Corporation tax</b>		
Current tax on (loss)/profit for the period/year	97,149	-
Adjustments in respect of previous periods	-	3,852
<b>Foreign tax</b>		
Foreign tax on (loss)/profit for the period/year	210,272	5,912
<b>Total current tax</b>	<u>307,421</u>	<u>9,764</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(2,179,840)	1,537,633
Adjustment in respect of prior periods	4,103	-
<b>Total deferred tax</b>	<u>(2,175,737)</u>	<u>1,537,633</u>
<b>Taxation (credit)/charge on (loss)/profit on ordinary activities</b>	<u>(1,868,316)</u>	<u>1,547,397</u>

# Entrepreneur First Operations Limited

## Notes to the Financial Statements For the Period Ended 31 March 2024

### 8. Taxation (continued)

#### Factors affecting tax charge for the period/year

The tax assessed for the period is higher than (year ended 31 December 2022 - higher than) the standard rate of corporation tax in the UK of 23.8% (year ended 31 December 2022 - 19%). The differences are explained below:

	15 month period ended 31 March 2024 £	Year ended 31 December 2022 £
(Loss)/profit on ordinary activities before tax	<u>(9,097,431)</u>	<u>2,957,023</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.8% (year ended 31 December 2022 - 19%)	(2,167,147)	561,834
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	1,280,940	864,859
Income not chargeable for tax purposes	(117,030)	(573,054)
Fixed asset differences	(271)	(1,412)
Capital gains	-	224,620
Remeasurement of deferred tax for changes in tax rates	(103,351)	369,032
Movement in deferred tax not recognised	(416,856)	97,666
Foreign tax - other	(326,788)	-
Other tax adjustments	(17,813)	3,852
<b>Total tax charge for the period/year</b>	<u><u>(1,868,316)</u></u>	<u><u>1,547,397</u></u>

#### Factors that may affect future tax charges

On 1 April 2023 the main rate of corporation tax increased to 25% from the previous rate of 19%. The tax rate applied of 23.8% represents a blended rate to account for the two rates which were in effect throughout the period.

# Entrepreneur First Operations Limited

## Notes to the Financial Statements For the Period Ended 31 March 2024

### 9. Intangible assets

#### Group and Company

	Intellectual property £
<b>Cost</b>	
At 1 January 2023	25,000
At 31 March 2024	<u>25,000</u>
<b>Amortisation</b>	
At 1 January 2023	12,917
Charge for the period	1,563
At 31 March 2024	<u>14,480</u>
<b>Net book value</b>	
At 31 March 2024	<u>10,520</u>
At 31 December 2022	<u>12,083</u>

Intellectual property is being written off in equal annual instalments over its estimated economic life of 20 years.

# Entrepreneur First Operations Limited

## Notes to the Financial Statements For the Period Ended 31 March 2024

### 10. Tangible fixed assets

#### Group

	Fixtures and fittings £	Office equipment £	Computer equipment £	Leasehold improvements £	Total £
<b>Cost</b>					
At 1 January 2023	3,736	4,266	177,626	3,105	188,733
Additions	228	-	90,225	-	90,453
Disposals	(2,290)	(3,453)	(39,765)	-	(45,508)
Exchange adjustments	(182)	(209)	(1,155)	(109)	(1,655)
At 31 March 2024	<u>1,492</u>	<u>604</u>	<u>226,931</u>	<u>2,996</u>	<u>232,023</u>
<b>Depreciation</b>					
At 1 January 2023	965	4,266	131,270	3,105	139,606
Charge for the period	1,803	-	50,195	-	51,998
Disposals	(1,272)	(3,453)	(26,754)	-	(31,479)
Exchange adjustments	(79)	(239)	(2,294)	(109)	(2,721)
At 31 March 2024	<u>1,417</u>	<u>574</u>	<u>152,417</u>	<u>2,996</u>	<u>157,404</u>
<b>Net book value</b>					
At 31 March 2024	<u>75</u>	<u>30</u>	<u>74,514</u>	<u>-</u>	<u>74,619</u>
At 31 December 2022	<u>2,771</u>	<u>-</u>	<u>46,356</u>	<u>-</u>	<u>49,127</u>

# Entrepreneur First Operations Limited

## Notes to the Financial Statements For the Period Ended 31 March 2024

### 10. Tangible fixed assets (continued)

#### Company

	Computer equipment £	Leasehold improvements £	Total £
<b>Cost</b>			
At 1 January 2023	129,671	3,105	132,776
Additions	85,673	-	85,673
Disposals	(12,588)	-	(12,588)
Exchange adjustments	(495)	(109)	(604)
At 31 March 2024	202,261	2,996	205,257
<b>Depreciation</b>			
At 1 January 2023	90,979	3,105	94,084
Charge for the period	43,076	-	43,076
Disposals	(892)	-	(892)
Exchange adjustments	(276)	(109)	(385)
At 31 March 2024	132,887	2,996	135,883
<b>Net book value</b>			
At 31 March 2024	69,374	-	69,374
At 31 December 2022	38,692	-	38,692

# Entrepreneur First Operations Limited

## Notes to the Financial Statements For the Period Ended 31 March 2024

### 11. Fixed asset investments

#### Group

	Investments in subsidiary companies £	Unlisted investments £	Total £
<b>Cost or valuation</b>			
At 1 January 2023	17,150,380	1,785,538	18,935,918
Additions	38,952,990	404,693	39,357,683
Disposals	-	(164)	(164)
Unrealised loss on investments at fair value*	(11,420,537)	38,942	(11,381,595)
At 31 March 2024	<u>44,682,833</u>	<u>2,229,009</u>	<u>46,911,842</u>
<b>Impairment</b>			
At 1 January 2023	-	158,471	158,471
Charge for the period	-	94,449	94,449
At 31 March 2024	<u>-</u>	<u>252,920</u>	<u>252,920</u>
<b>Net book value</b>			
At 31 March 2024	<u>44,682,833</u>	<u>1,976,089</u>	<u>46,658,922</u>
At 31 December 2022	<u>17,150,380</u>	<u>1,627,067</u>	<u>18,777,447</u>

\*The unrealised loss on investments at fair value includes a foreign exchange loss of £678,403.

# Entrepreneur First Operations Limited

## Notes to the Financial Statements For the Period Ended 31 March 2024

### 11. Fixed asset investments (continued)

#### Company

	Investments in subsidiary companies £	Unlisted investments £	Total £
<b>Cost or valuation</b>			
At 1 January 2023	17,221,575	1,785,538	19,007,113
Additions	38,953,191	404,693	39,357,884
Disposals	-	(164)	(164)
Unrealised loss on investments at fair value*	(11,420,537)	38,942	(11,381,595)
Issue of share options	2,880	-	2,880
Exercise and lapse of share options	(37,563)	-	(37,563)
At 31 March 2024	<u>44,719,546</u>	<u>2,229,009</u>	<u>46,948,555</u>
<b>Impairment</b>			
At 1 January 2023	-	158,471	158,471
Charge for the period	1,002	94,449	95,451
At 31 March 2024	<u>1,002</u>	<u>252,920</u>	<u>253,922</u>
<b>Net book value</b>			
At 31 March 2024	<u>44,718,544</u>	<u>1,976,089</u>	<u>46,694,633</u>
At 31 December 2022	<u>17,221,575</u>	<u>1,627,067</u>	<u>18,848,642</u>

\*The unrealised loss on investments at fair value includes a foreign exchange loss of £678,403.

During the period, the Company made an indirect contribution into Entrepreneur First Singapore Investment Pte Ltd via a disposal of £Nil (31 December 2022 - £4,742,308) to Entrepreneur First Investment LP of which Entrepreneur First Singapore Investment Pte Ltd is a beneficial partner.

During the period, the Company made a contribution into Entrepreneur First Singapore Investment Pte Ltd of £170,000 (31 December 2022 - £Nil). This is shown as an addition within "Investments in subsidiary companies".

During the period, the Company made a contribution into Entrepreneur First Singapore Investment (II) Pte Ltd of £38,425,191 (31 December 2022 - £7,358,254). This is shown as an addition within "Investments in subsidiary companies".

# Entrepreneur First Operations Limited

## Notes to the Financial Statements For the Period Ended 31 March 2024

### 11. Fixed asset investments (continued)

During the period, Entrepreneur First Singapore Investment (II) Pte Ltd made a contribution into Entrepreneur First Investment (II) LP of £38,032,877 (31 December 2022 - £7,008,072), an entity in which it is a beneficial partner.

During the period, on 22 March 2024, the subsidiary Entrepreneur First (Hong Kong) Operations Ltd was dissolved, and subsequently impaired by the Company. This follows the withdrawal of operating activities in the subsidiary in 2020. This is shown as an impairment within "Investment in Subsidiary Companies".

#### Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Entrepreneur First (USA) Operations LLC	2711 Centerville Road, Suite 400, City of Wilmington, County of New Castle, Delaware 19808	Ordinary	100%
Entrepreneur First Canada Operations Limited	1500 Royal Centre, 1055 West Georgia Street, Vancouver BC V6E 4N7 Canada	Ordinary	100%
Entrepreneur First Singapore Investment Pte. Limited	6 Raffles Quay, #11-07, Singapore 048580	Ordinary	100%
Entrepreneur First SG Ops Pte. Limited	6 Raffles Quay, #11-07, Singapore 048580	Ordinary	100%
EFOL India Private Limited	No. 29/1 , Sweet Homes Layout Sinivaspura, Mylasandra Bangalore KA 560060 India	Ordinary	100%
Entrepreneur First Singapore Investment II Pte. Limited	6 Raffles Quay, #11-07, Singapore 048580	Ordinary	100%

The results of all of the above named subsidiaries with the exception of Entrepreneur First Singapore Investment Pte. Limited and Entrepreneur First Singapore Investment II Pte. Limited have been included in this consolidation. These two companies have been excluded from the consolidation in accordance with paragraph 9.9(b) of FRS 102, as these companies are held exclusively with a view to subsequent resale. As a result the investment in these subsidiary companies, intra-group transactions and intra-group balances with these companies have not been eliminated. The investments in these companies have been measured at fair value through profit or loss.

# Entrepreneur First Operations Limited

## Notes to the Financial Statements For the Period Ended 31 March 2024

### 12. Debtors

	Group 31 March 2024 £	Group 31 December 2022 £	Company 31 March 2024 £	Company 31 December 2022 £
Amounts owed by group undertakings	237,092	793,373	292,506	816,849
Amounts owed by related parties	10,031,428	19,462,798	10,435,822	19,425,667
Other debtors	562,341	683,733	446,242	298,221
Prepayments and accrued income	588,946	246,741	505,160	167,222
Deferred taxation (see note 16)	116,844	-	122,964	-
	<u>11,536,651</u>	<u>21,186,645</u>	<u>11,802,694</u>	<u>20,707,959</u>

Amounts owed by group undertakings are unsecured, interest free and repayable on demand. Amounts owed by group undertakings shown on the group balance sheet represent balances with subsidiaries not included in the consolidation.

### 13. Creditors: Amounts falling due within one year

	Group 31 March 2024 £	Group 31 December 2022 £	Company 31 March 2024 £	Company 31 December 2022 £
Trade creditors	259,375	517,379	208,711	455,708
Amounts owed to group undertakings	-	-	357,973	217,304
Amounts owed to related parties	-	696,851	-	194,422
Corporation tax	295,650	10,498	97,284	737
Other taxation and social security	196,097	428,730	138,440	334,446
Other creditors	149,291	2,035,704	84,195	2,021,190
Accruals and deferred income	462,501	1,453,445	385,698	1,273,554
	<u>1,362,914</u>	<u>5,142,607</u>	<u>1,272,301</u>	<u>4,497,361</u>

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

# Entrepreneur First Operations Limited

## Notes to the Financial Statements For the Period Ended 31 March 2024

### 14. Financial instruments

Information regarding the Group's exposure to and management of credit risk, liquidity risk and foreign exchange risk is included in the Strategic report.

The carrying value of the Group and Company's financial assets and liabilities measured at fair value through profit or loss are summarised by category below:

	Group 31 March 2024 £	Group 31 December 2022 £	Company 31 March 2024 £	Company 31 December 2022 £
<b>Financial assets</b>				
Fixed asset unlisted investments and investments in subsidiaries (note 11)	<u>46,658,922</u>	<u>18,777,447</u>	<u>46,694,633</u>	<u>18,848,642</u>

Financial assets measured at fair value through profit or loss comprise unlisted investments.

The Group's and Company's gains and losses in respect of financial instruments are summarised below:

	31 March 2024 £	31 December 2022 £
<b>Fair value losses</b>		
On financial assets measured at fair value through profit or loss (note 11)	<u>(11,381,595)</u>	<u>(324,279)</u>

# Entrepreneur First Operations Limited

## Notes to the Financial Statements For the Period Ended 31 March 2024

### 15. Share capital

	31 March 2024 £	31 December 2022 £
<b>Allotted, called up and fully paid</b>		
8,180,000 (2022 - 8,180,000) A1 Ordinary shares of £0.00001 each	81.80	81.80
224,000 (2022 - 224,000) A2 Ordinary shares of £0.00001 each	2.24	2.24
927,000 (2022 - 927,000) B Ordinary shares of £0.00001 each	9.27	9.27
260,000 (2022 - 260,000) C Ordinary shares of £0.00001 each	2.60	2.60
531,610 (2022 - 463,000) F Ordinary shares of £0.00001 each	5.32	4.63
4,923,000 (2022 - 4,923,000) Preference shares of £0.00001 each	49.23	49.23
1,525,000 (2022 - 1,525,000) Preference B shares of £0.00001 each	15.25	15.25
6,236,775 (2022 - 4,120,260) Preference C1 shares of £0.00001 each	62.37	41.20
2,499,533 (2022 - 1,657,588) Preference C2 shares of £0.00001 each	25.00	16.58
1,335,000 (2022 - 1,335,000) Preference C3 shares of £0.00001 each	13.35	13.35
154,000 (2022 - 154,000) Deferred shares of £0.00001 each	1.54	1.54
	<b>267.97</b>	<b>237.69</b>
	<b>267.97</b>	<b>237.69</b>

On 11 January 2023, the Company issued 2,116,515 Preference C1 shares and 841,945 Preference C2 shares with a nominal value of £0.00001 at par.

On 13 January 2023, the Company issued 8,000 B Ordinary shares with a nominal value of £0.00001 at par. On the same day these were redesignated as F Ordinary shares with a nominal value of £0.00001 each.

On 9 August 2023, the Company issued 26,972 B Ordinary shares with a nominal value of £0.00001 at par. On the same day these were redesignated as F Ordinary shares with a nominal value of £0.00001 each.

On 20 October 2023, the Company issued 33,638 B Ordinary shares with a nominal value of £0.00001 at par. On the same day these were redesignated as F Ordinary shares with a nominal value of £0.00001 each.

A1 Ordinary shares have voting rights that give them control at all times, rights to participate in distributions and no rights of redemption. A2 Ordinary shares have partial voting rights, rights to participate in distributions and no rights of redemption.

B Ordinary shares have rights to participate in distributions but no voting rights or rights of redemption.

C Ordinary, Preference and Preference B shares have partial voting rights, rights to participate in distributions and no rights of redemption.

F Ordinary shares do not confer any voting or redemption rights. They do confer the right to participate in distributions.

Deferred shares do not confer any voting, dividend, distribution or redemption rights.

Preference C1, Preference C2 and Preference C3 shares have full voting rights, rights to participate in distributions and no rights of redemption.

# Entrepreneur First Operations Limited

## Notes to the Financial Statements For the Period Ended 31 March 2024

### 16. Deferred taxation

#### Group

	31 March 2024 £	31 December 2022 £
At beginning of period/year	(2,058,893)	(521,260)
Charged to profit or loss	2,175,737	(1,537,633)
<b>At end of period/year</b>	<b>116,844</b>	<b>(2,058,893)</b>

#### Company

	31 March 2024 £	31 December 2022 £
At beginning of period/year	(2,058,893)	(521,260)
Charged to profit or loss	2,181,857	(1,537,633)
<b>At end of period/year</b>	<b>122,964</b>	<b>(2,058,893)</b>

The deferred taxation balance is made up as follows:

	Group 31 March 2024 £	Group 31 December 2022 £	Company 31 March 2024 £	Company 31 December 2022 £
Fixed asset timing differences	(23,267)	(9,410)	(17,147)	(9,410)
Short term timing differences	5,268	10,281	5,268	10,281
Capital gains	134,843	(2,734,419)	134,843	(2,734,419)
Losses and other deductions	-	674,655	-	674,655
	<b>116,844</b>	<b>(2,058,893)</b>	<b>122,964</b>	<b>(2,058,893)</b>

# Entrepreneur First Operations Limited

## Notes to the Financial Statements For the Period Ended 31 March 2024

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### 17. Reserves

#### Share capital

Called up share capital reserve represents the nominal value of the shares issued.

#### Share premium account

The share premium account includes the premium on issue of equity shares, net of any issue costs.

#### Foreign exchange reserve

The foreign exchange reserve represents gains/losses arising on retranslating the net assets of overseas operations into GBP.

#### Share option reserve

The Company has a share option scheme available to certain employees of the Group. The share option reserve represents the movements between the value of the share options granted, lapsed and those exercised.

#### Profit and loss account

Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

# Entrepreneur First Operations Limited

## Notes to the Financial Statements For the Period Ended 31 March 2024

### 18. Share-based payments

Entrepreneur First Operations Limited operates an equity-settled share based remuneration scheme for employees of the Group. The long term incentive scheme is available to certain employees based on role and tenure. Options vest between 3 and 7 years with different agreements having different vesting periods, these must be exercised within a short window of termination of employment. When options are exercised, the balance in the share options reserve for these items is released to the profit and loss reserve.

	Weighted average exercise price (pence) 31 March 2024	Number 31 March 2024	Weighted average exercise price (pence) 31 December 2022	Number 31 December 2022
Outstanding at the beginning of the period/year	1	2,155	1	2,469
Granted during the period/year	1	-	1	-
Forfeited during the period/year	1	(119)	1	(8)
Exercised during the period/year	1	(61)	1	(306)
<b>Outstanding at the end of the period/year</b>	<b>1</b>	<b>1,975</b>	<b>1</b>	<b>2,155</b>

Of the total number of options outstanding at the end of the period, 1,790 (31 December 2022 - 526) had vested and were exercisable at the end of the period with a weighted average exercise price of 1p (31 December 2022 - 1p). These options are exercisable within the next 3 years (31 December 2022 - 4 years).

Net Asset Value per share has been used to determine the fair value of the share options. The following information was used in this valuation.

	31 March 2024	31 December 2022
Option pricing model used	Net Asset Value	Net Asset Value
Weighted average share price	3,298.56	2,241.83
Exercise price	0.01	£0.01

The share-based remuneration expense comprises:

	31 March 2024 £	31 December 2022 £
Equity-settled schemes	294,274	579,591

# Entrepreneur First Operations Limited

## Notes to the Financial Statements For the Period Ended 31 March 2024

### 18. Share-based payments (continued)

The Group did not enter into any share-based payment transactions with parties other than employees during the current or previous periods.

### 19. Pension commitments

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £272,712 (year ended 31 December 2022 - £265,651), including contributions payable by the Company to the fund amounting to £218,903 (year ended 31 December 2022 - £150,912). Group and Company contributions totalling £21,071 (31 December 2022 - £18,441) were payable to the fund at the reporting date and are included in creditors.

### 20. Commitments under operating leases

At 31 March 2024 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 31 March 2024 £	Group 31 December 2022 £	Company 31 March 2024 £	Company 31 December 2022 £
Not later than 1 year	569,746	729,942	469,316	517,057
Later than 1 year and not later than 5 years	-	46,251	-	-
	<u>569,746</u>	<u>776,193</u>	<u>469,316</u>	<u>517,057</u>

### 21. Analysis of net debt

	At 1 January 2023 £	Cash flows £	At 31 March 2024 £
Cash at bank and in hand	45,579,159	935,238	46,514,397

There are no restrictions over the use of the cash and cash equivalents balances which comprises cash at bank and in hand.

# Entrepreneur First Operations Limited

## Notes to the Financial Statements For the Period Ended 31 March 2024

### 22. Related party transactions

There is no ultimate controlling party of Entrepreneur First Operations Limited.

The following transactions took place between the Group and its related parties during the period/year:

	31 March 2024 £	31 December 2022 £
Investment income received	-	1,111,755
Net sales of services	17,711,474	15,708,359
Recharged expenses	55,627	446,679

The following receivable balances relating to related parties under common control were included in the consolidated balance sheet. These balances are unsecured, interest free and repayable on demand.

	31 March 2024 £	31 December 2022 £
Amounts due from related parties	10,031,428	19,462,798

The following payable balances relating to related parties under common control were included in the consolidated balance sheet. These balances are unsecured, interest free and repayable on demand.

	31 March 2024 £	31 December 2022 £
Amounts due to related parties	-	696,851

Key management personnel consists of the directors of the Parent Company who together have authority and responsibility for planning, directing and controlling the activities of the Group. The total compensation paid to key management personnel employed by the Group for services provided to the Group was £Nil (year ended 31 December 2022 - £Nil).

### 23. Discontinued operations

Entrepreneur First (Hong Kong) Operations Limited was disposed on 22 March 2024. As such, the intercompany balance due from Entrepreneur First (Hong Kong) Operations Limited to The Parent Company of £637,167 was written off to the profit and loss.