

CAPITAL ENTERPRISE

# 2019 ANNUAL REPORT

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## Capital Enterprise

We are London's startup experts; connecting & energising a world-class entrepreneurship ecosystem

To find out more visit [www.capitalenterprise.org](http://www.capitalenterprise.org)



**CAPITAL ENTERPRISE**

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# INTRODUCTION BY THE CHIEF EXECUTIVE

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On all measurements, 2018-19 was a fantastic year for Capital Enterprise. Our programmes and initiatives financially supported over 20 Capital Enterprise member organisations to directly help over 300 entrepreneurial teams to start a business in London. Through this support, these teams raised over £150m of private sector investment for their innovative new ventures and subsequently these startups have gone on to create over 1000 new jobs.

Our accounts will show yet again a significant increase of Capital Enterprise's turnover (a 25% increase on the previous year) and reserves (which have more than doubled on the previous year's results). This is the best financial performance of my 9-year tenure as CEO of Capital Enterprise and for that, I wish to commend the hard work and skill of the Capital Enterprise team.

The excellent performance of Capital Enterprise was the result of delivering, for a full 12 months, two major startup and innovation support programmes that were primarily co-funded by grants from the European Union and match funding from members of Capital Enterprise. Going forward these projects (called CASTS and CAP-AI) will soon end. In 2018-19 Capital Enterprise also received income and generated a surplus from providing management support to startup seed investment funds, primarily the Mayor of London funded, London Co-Investment Fund. Despite the excellent performance of this fund, the Mayor of London decided not to invest more money into it and in consequence, the Capital Enterprise contract to support the fund came to an end. In short, some of the sources of income that produced such good financial and impactful performance for Capital Enterprise will not continue.

Nevertheless, it is not all doom and gloom as 2018-19 was also the start of a programme called OneTech, which seeks to address the diversity and inclusion problems faced by London's tech startup ecosystem. This initiative is funded by private sector partner (J.P. Morgan) and regional and local government grants and points ahead to the type of initiative and funding that Capital Enterprise will develop and deliver in the near future. In 2019 Capital Enterprise has started the process of diversifying its sources of income by securing funding from Mayor of London Office, and sponsorship from the likes of Barclays Bank and Huawei for smaller scale projects that serve our members and London based startups and as the year closes we received news that we have been invited to try to replicate our tech startup acceleration programmes in the Sheffield City Region.

Capital Enterprise has over a number of years built up its reserves for the purpose of using them in times of political and economic uncertainty, such as now, and as long as demand in London from entrepreneurs for our and our members services remains strong, and we remain adaptive, then the future for our organisation remains bright.



## HIGHLIGHTS

By all measurements, 2018-19 was a fantastic year for Capital Enterprise.

Our programmes and initiatives financially supported over 20 Capital Enterprise member organisations to;

### 300+

**ENTREPRENEUR TEAMS**

We have helped to start a business in London

### £150M

**PRIVATE SECTOR INVESTMENT  
RAISED**

For startups' innovative new ventures

### OVER 1000

**JOBS CREATED**

In startups in London



# ABOUT US

We are London's startup experts, connecting & energising a world-class entrepreneurship ecosystem.

## **Our Vision**

To make London the best place in the world to start and scale a business.

## **Our Mission**

- To facilitate the growth and success of London's startup ecosystem.
- To enable our members to play a leading role in the delivery of support services to London based start-ups.

We are a body of connectors, influencers, investors and policymakers, collaborating to serve and super-charge London's start-up scene.

## **For Startups**

We help ambitious startups and entrepreneurs to launch, innovate, grow and scale their businesses.

## **For Members**

We unite the major enterprise players to deliver prosperity, share knowledge and influence policy.

## **For Corporates**

We leverage our knowledge and experience to offer consultancy, expertise, high-quality support and access to an engaged enterprise community.

We unite a powerful membership network of London's leading universities and colleges, accelerators, co-working spaces, enterprise agencies, innovation institutes and public sector organisations.

Our committed members provide a range of programmes to help companies launch, innovate, grow and scale their businesses. As a catalyst, we enable entrepreneurship in London by supporting our member organisations to initiate, develop, promote and deliver services directly to start and grow businesses.

The vibrant and evolving membership delivers across all 33 London boroughs to enterprises from all sectors. We have a deep understanding of entrepreneurship in the capital and knowledge of the startup ecosystem, its trends, challenges and opportunities.

Capital Enterprise is funded through members' subscriptions, third-party sponsorship, and by income received from public/private sector partners to develop, pilot and manage innovative programmes that support enterprises and entrepreneurs in London.

Capital Enterprise is mission-driven, not profit-driven and is "limited by guarantee", democratically governed by a board of directors appointed by its members.



# MEET THE TEAM



**JOHN SPINDLER**  
CEO



**DARREN BALCOMBE**  
DEPUTY CEO



**CARLY MCNALLY**  
CFAO AND ERDF  
PROGRAMME LEAD



**ALISON PARTRIDGE**  
HEAD OF STRATEGY



**EMMA OBANYE**  
ONETECH ENTREPRENEUR  
IN RESIDENCE



**ANDY AYIM**  
ONETECH ENTREPRENEUR  
IN RESIDENCE



**AIMEE SCANLAN**  
ONETECH AGILE  
PROGRAMME MANAGER



**NICK SLATER**  
DEEP TECH PROGRAMMES  
LEAD



**LOTTA OLSSON**  
ONETECH ENTREPRENEUR COACH



**OLIVIA REID**  
ONETECH COMMUNITY  
MANAGER



**NATHAN MCNALLY**  
P4 PROGRAMME MANAGER



**ROXIE LEGEZYNSKA**  
P4 PROGRAMME ASSOCIATE



**GRACIE JONES**  
TALENT LEAD & WORKSPACE  
ACCREDITATION COORDINATOR



**NAIMA OMASTA-MILSOM**  
WORKSPACE IMPACT ADVISOR



**ARIANNA RABIN**  
COMMERCIAL PROJECT  
COORDINATOR



**LAUREL YE**  
COMMUNICATIONS AND  
PROJECTS INTERN



**JUSTINE CLARK**  
IDEALONDON OPERATIONS  
& PARTNERSHIPS MANAGER



**HAZEL SHARP**  
IDEALONDON FRONT OF  
HOUSE



**MARTHA YEANDLE**  
CAP AI JUNIOR PROJECT  
MANAGER AND HR MANAGER

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# MEET THE BOARD



PETER THACKWRAY  
OBE



MIKE BROOK



ROB DESBOROUGH



DESPINA JOHNSON



ALEX WROTTESLEY



IAN MERRICKS



ASIMA SHAIKH



KEVIN SUTTON



MALCOLM COHEN



TIMOTHY BARNES



IZZY OBONG



JULIE DEVONSHIRE



SEB BUTT



RAKESH UPPAL







## CHANGING THE FACE OF START-UPS

OneTech supports under-represented founders in London. Along with our delivery partners Diversity VC, The Accelerator Network, TechNation, Loughborough University, YSYS, UKBlackTech and FounderVine, we connect under-represented communities to opportunities within the London tech scene through action and thought leadership.

Activities include: community engagement events, bootcamps, founders' weekends, pre-accelerators, mentoring, internships, free and subsidised workspace, research, and diversity and inclusion action planning and training.

Building on the founding funding partnership with J.P.Morgan which targets 3 East London boroughs, over the past 12 months we have launched new activities aimed at young people and different communities with support from the Mayor of London's Digital Talent Programme and the South London Innovation Corridor.

We have supported;

**£9.6M**

**PRIVATE SECTOR INVESTMENT RAISED**

**102**

**JOBS CREATED**

**200**

**PEOPLE ENTERING TECH ENTREPRENEURSHIP OR  
STARTUP OPPORTUNITIES**

**62%**

**PEOPLE OF COLOUR**

**52%**

**FIRST-TIME FOUNDERS**

**50%**

**FEMALE**



## CASE STUDY

MEET TAHLIA GRAY - [HTTPS://WEAREONETECH.ORG/TAHLIA-GRAY/](https://weareonetech.org/tahlia-gray/)

Tahlia Gray is the founder of Sheer Chemistry, an e-commerce platform that specialises in tights for women of all shades of brown. We are proud to have supported Tahlia in many ways: through our Pioneer Community, involvement in the FFWD Pre-Accelerator, and through our female workspace offer with WeWork and WeWork Labs. We're honoured to be a part of her journey and for her to regularly play a key part in OneTech events and campaigns.

*'Moving into Wilson Street WeWork was magical because it exposed me to an entrepreneurial community. It gives that kind of business support in terms of just being able to turn to someone and ask, 'Do you know how to use Photoshop? I'm struggling with this. Can you help?' Or just building relationships with people and having them give me feedback on my pitch deck or how to approach retailers. Having space with a buzz where people are doing things and meeting people, makes me think I should be doing the same and has really helped keep my momentum.'*

*'My mentor at J.P.Morgan has been really helpful, partly because she looks at my business from a non-entrepreneurial perspective. She asks very direct questions about business revenue, stock, turnover, and my own personal objectives. She helped me to focus my goals and make them really tangible'.*



**FastForward (FFWD)** is the UK's first and leading Pre-Accelerator Programme. The initiative is delivered by The Accelerator Network in partnership with Capital Enterprise to prepare startup teams for first funding and successful application and entry into leading accelerators. Loughborough University London, Brunel University London, UCL and London South Bank University are also partners in the scheme.

The programme aims to teach and mentor teams or individuals who have an idea and want to build a scalable business. It concludes with an opportunity for teams to pitch to join an accelerator or incubator to find grant funding or equity investment. Selected teams access a six-week programme of pre-accelerator support delivered in one-day sprints, coupled with a customised toolkit combining the best aspects of Lean Startup, Design Thinking, MBA analysis, common sense and street smarts.

**11**  
**SEMESTERS**

**220**  
**EARLY STAGE ENTREPRENEURS  
SUPPORTED**

**81%**  
**SECURED FOLLOW-ON  
SUPPORT/INVESTMENT**

## CASE STUDY



**Structor.io** joined the FastForward programme in spring 2019. During the programme they developed solution wireframes to communicate the first version of their product, a cloud-based project controls and contract management system for the construction industry.

Structor.io then went on to receive an Innovate UK grant which enabled them to focus on product build. Through the programme they built up credible industry contacts, and from an introduction made by a programme mentor, they now work with an advisor who supports them with a go to market strategy and is helping to open doors and position the value of the solution to their target customers.

*'The support from FFWD has been incredibly valuable to helping us really move from an idea to a validated commercial business'*





CAP AI is London's first artificial intelligence-enabling programme focussed on stimulating growth in London's AI tech cluster. London based AI startups find it difficult to gain access to the resources, computational power, talent, and expertise they need to stimulate growth in their businesses.

Delivered by Capital Enterprise, Barts NHS Health Trust, Digital Catapult and supported by TechNation and The Alan Turing Institute, the CAP-AI programme supports AI startups by:

- Running programmes to give access to computational power and other essential resources.
- Matching AI talent with London's most innovative startups.
- Fostering AI and Machine Learning (ML) research collaborations between London's startups and research institutions.
- Leveraging our academic network to provide business support and expertise.
- Running the Machine Learning Academy, a 6-week course which educates non-technical members of startup companies on ML and its capabilities.

37

COMPANIES SUPPORTED THROUGH THE MACHINE LEARNING ACADEMY

41

COMPANIES SUPPORTED THROUGH THE DIGITAL CATAPULT'S MACHINE INTELLIGENCE GARAGE

20

PART-FUNDED INTERNSHIPS

25

JOBS CREATED

20

KEEP (KNOWLEDGE EXCHANGE AND EMBED PARTNERSHIP) PROJECTS IN PROGRESS OR COMPLETED

Delivered by



Supported by



CASE STUDY  
[HTTP://METISLABS.TECH](http://metislabs.tech)

Metis Labs is a London startup specialising in the application of artificial intelligence to optimise manufacturing processes to improve productivity and avoid waste. They successfully applied for CAP-AI's Knowledge Exchange and Embed Partnership (KEEP) in July 2018 with a 10-month research project to explore different Bayesian approaches for time-series forecasting. Eight months into the project, together with their KEEP researcher, Dr Julio Vargas, Metis Labs have made several breakthroughs into time series data analysis. These have not only improved their product but have also allowed the startup to develop core IP, a strong differentiator from its competitors.

During the project they have investigated existing Machine Learning techniques and their limitations, before coming up with novel approaches to solving challenges. As Bashir Beikzadeh, Metis Labs' CTO, eloquently put it: *"When you apply machine learning to a problem, more often than not, it doesn't work the first time".*

# CAP TALENT

**CAP Talent** matches Undergraduate and Masters students to paid internship opportunities with tech startups and scale-ups. Internships last for 8-16 weeks, taking place over the summer and autumn months, and are paid at the London Living Wage by the startup.

CAP Talent gives students the opportunity to turn knowledge into skills in a real world business environment, aiding future employability, motivation and encouraging enterprise. The programme also aids small businesses to add fresh talent, create value, and boost productivity.

Capital Enterprise is delighted to have partnered with the City of London Corporation for the CAP Talent Pilot 2019 which helped increase the programme capacity and opportunities for both London's students and tech startups.

The types of internships placed during the programme ranged across multiple tech sectors, including: Artificial Intelligence/Machine Learning, HealthTech, FinTech, Education Tech, Legal Tech, Media Tech and SpaceTech, and include a variety of tech and non-tech roles, including Marketing & Data Analysts and Business Development internships.

Capital Enterprise is currently scoping the next phase of the Enterprise Talent Programme.

The CAP Talent Pilot 2019 had a significant impact on both students and startups:

**17**

**UNIVERSITY PARTNERS COMMITTED  
TO PROMOTING CAP TALENT**

**507**

**STUDENT APPLICATIONS**

**114**

**STARTUPS APPLIED TO HIRE AN  
INTERN**

**46**

**INTERNSHIPS CONFIRMED, AS OF 15TH  
NOVEMBER 2019**

**19**

**RECRUITMENT PARTNERS FROM  
LONDON'S STARTUP TECH ECOSYSTEM**

Supported by



*"We have worked with quite a few people to find interns, but we have had most success with you guys, so thank you for your help and support!"*

**Randu from VeeLoop**

*"We loved having [our intern] as part of the team. He has done a great job with the project we gave him and we are sorry to see him leave. Thanks so much for your help in pairing us up."*

**Donna from Dressipi**

*"My internship has given me a lot of understanding about how to run a startup, so I now think I would definitely like to run a startup after university and to do a startup fair at university"*

**Hilliam Tung, intern at Number Eight**







In March 2019 the [London Co-Investment Fund \(LCIF\)](#) closed for new applications having deployed its initial £23m capital (sourced from the Greater London Authority, Growing Places Fund) alongside over £180m from the private sector into the pre-seed and seed rounds of 149 London based Tech Startups.

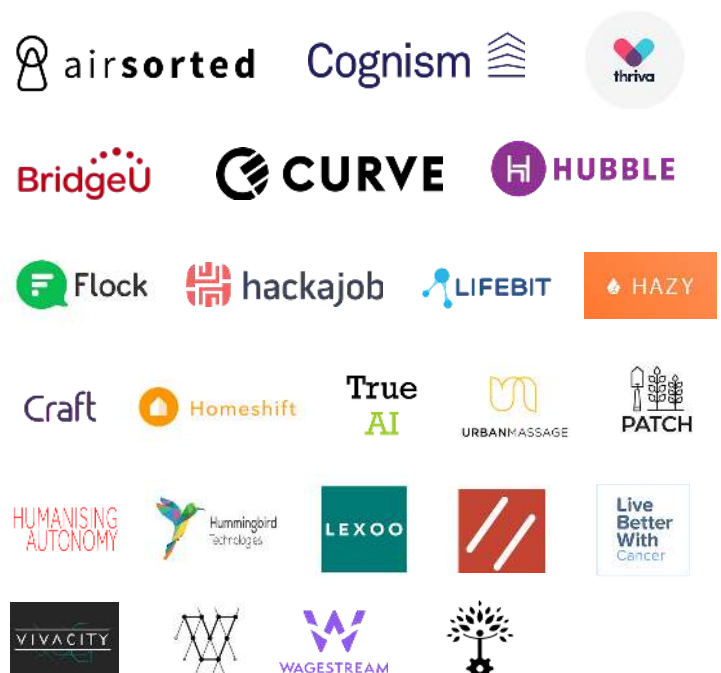
Capital Enterprise alongside Funding London are the partners in the fund, with Funding London being responsible for managing the fund plus the monitoring and support of the portfolio startups (which they will continue to do until all the investments mature). We were primarily responsible, alongside LCIF's co-investment partners, for sourcing and initial assessment of potentially investable tech startups and once selected, for helping with round syndication to other business angels and VC's.

From the start of the fund in December 2014 until close of applications in March 2019, we sourced and assessed over 2500 startups with over 70% of the startups that LCIF eventually invested in (over 90% of the best performing) coming from our pipeline. Many of these startups (and many more that went on to raise funds from other VC's and angels) received investment readiness advice and support from Capital Enterprise's "Green Light Programme" which was part-funded by our LCIF management fee. This placed Capital Enterprise at the centre of where tech startups went to raise a pre-seed/ seed round in London.

The London Co-Investment Fund financial performance has been excellent, with the sum of the valuation of the worth of investments in the portfolio startups being well in excess of our initial capital investments. Over 1/3rd of the portfolio to date has gone on to raise Series A + rounds and with the strong history of exits (the trade sale of portfolio startups such as Bloomsbury AI to Facebook and City Pantry to Just Eat) we expect the value of the fund to grow and grow.

Unfortunately, the strong financial performance and economic impact of the fund (over 2000 jobs have been created so far by the portfolio startups) was insufficient to convince the London Economic Action Partnership (LEAP) or Greater London Authority (GLA) to invest more capital in the fund.

Both Funding London and Capital Enterprise are presently exploring new ways to revive the Co-Investment Fund model, and in the meantime, our legacy is our portfolio startups, some of which are listed below:





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# COMMERCIAL

Capital Enterprise entered into three commercially funded projects this year. We will continue to seek commercially funded collaboration opportunities for ourselves and our members against the backdrop of uncertainty regarding the future of grant funding in the UK.



Capital Enterprise is working with Huawei to help them increase their presence in the UK tech ecosystem, further their understanding of the trends within deep tech in Europe, and meet startups they can partner with. This will be achieved through a series of monthly reports, events, and brokered meetings with early-stage startups.



Capital Enterprise is supporting Barclays Eagle Labs to deliver a “National Funding Readiness Programme”. The programme is a proof of concept trial which we hope, if successful, to scale across the national Barclays Eagle Lab network.

The programme will help Barclays Eagle Labs businesses prepare to access funding support via three growth funding pathways: Equity investment, Crowdfunding, and Innovation Grant Funding. The programme is delivered via blended learning, combining online educational content and in-person masterclasses, webinars, 1:1 advisory support and culminating in a demo-day for selected startups to pitch to investors.



Capital Enterprise collaborated with UCL Centre for Blockchain Technologies (UCL CBT) and Ripple (the blockchain payments network) to design, manage and facilitate a blockchain hackathon.

Block-Sprint gave participants the opportunity to join diverse teams to create original and innovative ideas, discover fresh talent, and curate opportunities for collaboration and networking. Over two weeks, teams were given access to subject matter mentors for one-to-team workshops to create and refine their ideas, each team received bespoke support and invited to build out their ideas on the final day. Each team was given the chance to win £100,000 in prizes and benefits.



IDEALondon is an innovation centre in the heart of Tech City run by UCL Engineering, EDF Energy and Capital Enterprise.

We are welcoming in an exciting new era at IDEALondon with the introduction of a new programme of subject matter expert support. Together we are creating a cluster where skills, talent and companies can grow. Alongside desk space, startups receive access to consultancy, mentoring and funding opportunities. IDEALondon is currently the home of several prestigious business support programmes including ConceptionX, P4 Precision Medicine and IDEALondon Future Mobility.

In response to demands from new corporate partners and startups, IDEALondon will be expanding in 2020 to increase the amount of private office, fixed desk and hot desk spaces.

Since launching in 2013 we have:

**70**

**TECH STARTUPS SUPPORTED**

**£340M**

**PRIVATE INVESTMENT RAISED**

**3000+**

**JOBS CREATED**

**425**

**EVENTS HOSTED IN 2019**

**15000**

**EVENT ATTENDEES IN 2019**



## Partners



## Programme Partners



P4's mission is to create an ecosystem for the scale and adoption of precision medicine, particularly by facilitating new and innovative collaborations with academia, industry and healthcare. Capital Enterprise launched this precision medicine "accelerator" programme - the first of its kind in the UK - in partnership with UCL and Barclays. The programme is part funded by the Capital Enterprises CAP AI programme through ERDF funding and corporate sponsorship. The accelerator provides start-ups with personalised connections and introductions, as well as other support including workshops, personalised coaching (grant writing, AI and IP/regulations), access to testbeds and trial opportunities and regulatory pathway support to CE marking certification.

P4 has secured a strong advisory board of distinguished academics and industry professionals to help supercharge the network and contribute to future successes. P4 is a collaboration between Capital Enterprise and the UCL Institute of Precision Medicine (led by its Chair, Professor Phil Beales).

Progress so far;

**7**

**NEW EMPLOYEES**

**£30M**

**INVESTMENT RAISED**

**9**

**RESEARCH GRANTS**

**11**

**COMPANIES SUPPORTED**



## CASE STUDY

[MOTILENT.CO.UK](http://MOTILENT.CO.UK)

Motilent is "changing the way we see the gut" through magnetic resonance imaging (MRI) for gastrointestinal disorders. Motilent was almost ready to go to market when they started the P4 programme. P4 has been instrumental in supporting Motilent in their installation and adoption conversations with Great Ormond Street and UCLH. The programme will continually support Motilent in the new year to scale.

### Recent successes:

- Signed for their first clinical installation, and now in talks with six large hospitals to start trialling their software in Q1, 2020.
- Collaboration with Great Ormond Street Children's Hospital to benchmark the performance of "GiQuant", their medical technology to non-invasively grade Crohn's disease.
- Signed a licensing deal with a major distribution partner, taking the technology to 70% of clinics in the USA.
- Appointed a CTO from Microsoft's Medical Imaging division to help build and scale the technology.



# IDEA LONDON FUTURE MOBILITY

In partnership with EDF Energy, IDEALondon and UCL, Capital Enterprise are leading a new SME support programme focussed on the Future of Mobility.

Mobility is undergoing one of the most transformational social, technological and economic shifts of a generation. Sectors are being disrupted, with new markets emerging, while others are converging, and some are disappearing entirely.

The **IDEALondon Future Mobility programme** brings together mobility professionals, startups, investors and larger businesses together to create conversations and collaborations to accelerate the development of technologies, products and services.

Phase 1 of the programme is focussed on delivering external event activity to engage with industry players with phase 2 targeting collaborative support activity for mobility startups.



## CASE STUDY



**ev.energy** is an innovative platform that makes it simpler, cheaper and greener for drivers to charge their electric vehicles. Their customer-focussed solution give electric vehicle owners greater control and visibility when charging their electric cars at home and on the go.

IDEALondon were introduced to ev.energy when they applied for the EDF Energy Pulse Innovation Challenge in mid-2019. Shortly after moving into IDEALondon, they were selected as one of five start-up finalists out of 160 applicants to spend 12 weeks working closely with teams from EDF Energy. They've had plenty of success since then, winning \$200,000 at the Free Electrons Demo Day in Lisbon and an additional £25,000 at the EDF Energy Pulse Innovation Challenge Demo Day held at IDEALondon.



CASTS did this by providing resources and expertise to expand and enhance the provision of high quality acceleration programmes in London for potentially scalable and investable businesses. CASTS not only helped maintain the London accelerator ecosystem's level of excellence, but also built upon it to ensure London and the UK continued to benefit from the jobs and wealth generated.

We would like to thank and congratulate our delivery partners, accelerator partners as well as the SMEs who participated in the programme. The successes, best practice and lessons learned will continue to provide value as we use the learnings from CASTS to develop new innovative projects to strengthen the startup ecosystem.

Target	Actual
450	957
JOBS CREATED	JOBS CREATED
600	796
SME SUPPORTED	SME SUPPORTED
£30M	£143.7M
INVESTMENT RAISED	INVESTMENT RAISED



**GENERATED FOR THE LONDON  
ECONOMY FOR EVERY £1 SPENT BY  
THE PUBLIC SECTOR**

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# POLICY & RESEARCH

## Workspace Accreditation Pilot

In September 2019 we were appointed by the GLA to lead a pilot project testing an accreditation for open workspaces offering community impact. Over the next year we will be working with more than 10 workspace providers in 8 different local authority areas to develop and deliver the accreditation and explore the benefits and costs of such a scheme for all stakeholders. The accreditation is likely to include London level and locally focused criteria around affordability, accessibility, economic and community impact and business conduct.

The results will be shared at a large conference for local authorities, workspace providers and other interested stakeholders on the 16th October 2020.

John Spindler and Alison Partridge continue to be active members of the newly re-launched Workspace Advisory Group. Read more [HERE](#).

## Business Support Mapping

Over the Summer of 2019, the GLA appointed Capital Enterprise to deliver:

- a) A review and refresh of the existing business support information/data on the London Growth Hub to ensure it is accurate and up to date, and identify any gaps
- b) An analysis of the current business support landscape and recommendations for future strategic direction on areas of intervention by the London Growth Hub, the Mayor of London, and the LEAP.

Through this work we used data collection and web data scraping techniques to provide a complete, up to date and accurate list of business support operators and schemes in London. In addition, we engaged almost 78 business support providers and stakeholders through a survey, interviews, and focus groups.

In terms of outcome, Capital Enterprise delivered a fully interactive map of all business support providers in London, an updated and accurate database of providers and an extensive report setting out the findings of the research, insights on the Growth Hub and clear recommendations on the potential role of the Growth Hub in the short and medium term. Read more [HERE](#).



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# POLICY & RESEARCH

## Grow with AI

A consortium project between the GLA, LSE, Cog X and Capital Enterprise, funded by the BEIS Business Basics Fund, the “Grow With AI” programme is designed to allow policymakers to understand how to encourage the adoption of AI amongst SMEs.

The Project takes the format of a 12-month Randomised Control Trial (RCT), which tests the effectiveness of increasing adoption between two work streams:

- (a) a series of events which introduces SMEs directly to tech vendors
- (b) distribution of £750 innovation vouchers, and giving access to a caseworker.

The evidence base created by this project will be used to inform future market interventions to spur technology adoption. The interventions target two lower-productivity sectors in London, retail and hospitality.

The hypothesis we are testing is that under-investment by SMEs in productivity-enhancing AI technologies is driven by a lack of information and motivation coupled with financing constraints and risk aversion. The proposed interventions seek to address these barriers. In doing so, they will increase technology adoption that in turn improves firm performance and innovation.

Read more [HERE](#).

SUPPORTED BY  
**MAYOR OF LONDON**









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# MEMBERSHIP

The Capital Enterprise membership includes top universities, accelerators, business incubators, co-working spaces, colleges, local authorities and enterprise support agencies.

Collectively, our constantly evolving membership community form a large part of London's world-class ecosystem for new & growing businesses.

Our members deliver and operate their organisations across 33 London Boroughs. They serve approximately 15% of all entrepreneurs and SMEs in London, a third of all companies looking to raise capital and reach all parts of the community.

Capital Enterprise seek and follow commercial opportunities from both public and private sources for members to individually or collaboratively leverage. We also create innovative support projects and delivery consortia from our membership base, to maximise the impact of public and private resources and co-investment.

This is on top of wider benefits that include access to startup and innovator visa endorsements, networking events, and monthly member updates.

Read more [HERE](#).

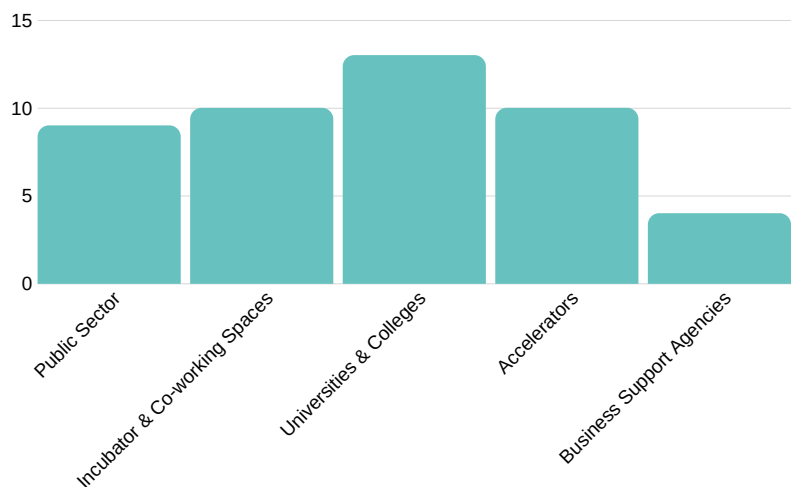
## What's New?

To better support the interests of the diverse Capital Enterprise membership we have created community member sub-groups. The sub-groups will allow us to better target our activities to meet the needs and interests of the membership.

### Sub Groups

- Public Sector
- Accelerators, Incubator & Workspace
- Universities & Colleges
- Business Support Agencies
- Accelerators

Membership Breakdown (46 Members)



Capital Enterprise has also introduced a startup community membership which is a non-financial offer for startups. The community membership will allow Capital Enterprise to continue to deliver benefits beyond the life of a programme and help boost engagement with the startup community.

# MEMBERSHIP OFFER 2019

- Opportunity to collaborate with Capital Enterprise on startup support programmes and benefitting from the delivery of business support programmes.
- Opportunity to share news and events within our newsletters, our general membership communications, and posting on our social media platforms.
- Access to bi-annual roundtables, opportunities to take part in startup policy consultations, and an invitation to join member celebration events.
- Access startup and innovator visa endorsements for your startup business community.
- Senior members of Capital Enterprise's team available to join your events as panellists or participators – as required and to be agreed.
- Introductions to fellow Capital Enterprise members – startups, supporters of startups, and corporate partners, with a view to collaboration on projects.

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# MOVING FORWARD

## MESSAGE FROM THE CEO

We live in interesting times. As I write, we are in the middle of an election campaign, the result of which seems significant not only for the future direction of the country but for startups and particularly the London Tech startup ecosystem.

The 2016 referendum result and subsequent uncertainty have had a significant impact on London based startups. Private sector sponsorship from corporates for our members business support programmes has fallen, equity investment in startups (especially at seed stage) has fallen, securing funding for innovation and entrepreneurship from the EU has proven to be more difficult and most worrying, the number of EU nationals coming to London to start a business has plummeted. From London being the tech startup ecosystem that attracted and supported the whole continents entrepreneur talent, we are in the process of becoming the ecosystem that is now dependent on local London talent, especially talent generated by our excellent universities. In regards to funding the London Tech Startup Ecosystem whether it be funds to invest in startups or for funding for programmes that generate ambitious high growth/ high tech startups, we will now need to look to UK institutions, and to private sector sponsors still committed to the UK.

This is not all a bad thing but it is different and will require everyone to adapt.

At the same time, as we as a country decide on our future direction, all mainstream political parties seem fixated on redirecting money from London (where it is predominantly generated)

Already national institutions such as Innovate UK, UK Research and Innovation and the British Business Bank have funding that excludes London based startups and supporting institutions and by the looks of it, the “UK Shared Prosperity Fund” (which will replace all regional EU funding when we Brexit) will be more of the same. Future funding from UK wide institutions will no longer follow where startups are (over 30% of the UK’s startups are in London) but where they are not. UK politicians are seemingly prepared to go against the well documented research that startups (especially Tech startups) strongly cluster in cities with strong startup ecosystems and that the strong economic, cultural and social forces that drive startups to cluster are not only beneficial to the startups but can be also very beneficial to the wider region and country.

Furthermore, if the London Tech Startup Ecosystem is going to continue to prosper it will need to address the inequities that make it significantly harder for female founders and Black and Minority Ethnic founders to access the support and investment they need to get started and prosper. Fortunately, the London startup community is increasingly recognising the problem and are open to addressing the issues. Both the private sector, the Mayor of London and local London councils are willing to co-fund programmes such as OneTech that seek to address the diversity and inclusiveness challenge.

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# MOVING FORWARD

## MESSAGE FROM THE CEO

So given these forces of change, Capital Enterprise intends to focus 2020 on:

A: Managing the transition of replacing programmes part-financed by the EU (mainly European Regional Development Fund) to those funded by the private sector. These programmes are likely to be much smaller, more targeted and have less scope to include financing members activity. Immediate opportunities include expanding IDEALondon and spinning out the P4 Precision Medicine Programme and the Machine Learning Academy from CAP-AI. As we do this we are still hopeful that we may be able to compete for and win the last bits of available EU funding to finance existing programmes like CAP-AI to 2022.

B: Building and delivering programmes for startups outside London. The aim is to provide startups in the regions with the expertise and access to value-adding private investment that is only available in London. This is what we are presently doing with Barclays Eagle Labs and subject to securing EU funding, we hope in 2020 to open an office in the Sheffield City Region and with the support of local institutions, attract Capital Enterprise members to start and run pre-accelerators, accelerators and pre-seed funds in the region.

C: Expand the reach and scope of OneTech to address the diversity and inclusion inequities of the London Tech startup ecosystem. We are hopeful of securing more public and private funding for OneTech in 2020 and we will be setting up an advisory board and aiming to appoint a director to lead on all our inclusion and diversity initiatives.

D: Step up the fight to convince private and public bodies that it pays to invest in London's ambitious and able startups and for them to join us and our membership on developing and funding activities that address the challenges London's entrepreneurs face whether that be accessing high-quality business advice and deep tech support, securing affordable premises, recruiting talent or obtaining existing and new forms of risk and growth capital.

Finally, the number one priority for Capital Enterprise in 2020 is to place Capital Enterprise in a position to adapt to and capitalise upon the big post-election changes the country and startups will face in 2020. We live in interesting times.



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## 2019

# FINANCIAL STATEMENT

### STATEMENT OF INCOME AND RETAINED EARNINGS YEAR ENDED MARCH 2019

	2019	2018
	£	£
<b>Turnover</b>	5,471,587.00	4,371,288.00
Cost of Sales	(4,644,914.00)	(3,716,576.00)
<b>Gross Profit</b>	826,673.00	654,712.00
Administrative Expenses	(739,775.00)	(595,874.00)
	86,898.00	58,838.00
Other Operating Income	58,958.00	13,933.00
<b>Operating Profit and Profit Before Taxation</b>	145,856.00	72,771.00
Tax on Profit	-	-
<b>Profit for the Financial Year</b>	145,856.00	72,771.00





