



# The UK Business Angel Market 2020

# Contents

Foreword	3	<b>3. Our angel population – 2019 survey</b>	<b>25</b>
UK Business Angels Association introduction	4	3.1. Gender	26
Executive summary	5	3.2. Ethnicity	28
Introduction	6	3.3. Age	29
Sizing the market	9	3.4. Experience	30
A tale of two surveys	10	3.5. 2020 Survey	30
<hr/>		<hr/>	
<b>1. Investing in the time of Covid</b>	<b>11</b>	<b>4. Geographic spread of angels</b>	<b>31</b>
1.1. New and follow-on investments	12	<hr/>	
1.2. Targeted smart money	13	<b>5. The impacts of angel diversity</b>	<b>34</b>
1.3. Portfolio performance	14	5.1. Age and experience	35
1.4. Exits	16	5.2. Impacts on volume and value of investments	35
1.5. Government schemes	16	5.3. Decision making	37
1.6. Challenges and outlook for angel investing	18	<hr/>	
<hr/>		<b>6. Female angels</b>	<b>38</b>
<b>2. Investments 2017-2019</b>	<b>19</b>	6.1. Why are there not more female angels?	39
2.1. Volume of investments	20	6.2. Are there any encouraging signs?	40
2.2. Value of investments	20	6.3. What is the industry doing to improve gender diversity?	41
2.3. Performance and exits	21		
2.4. Sectors	23		
2.5. Decision making	24		



# Foreword

The British Business Bank is committed to developing clusters of angels and enhancing business angel networks across the UK, as part of its mission to make finance markets work better for smaller businesses.



This **UK Business Angel Market** report, now in its second edition and published in collaboration with the UK Business Angels Association (UKBAA), highlights the important role angels play in seed and early stage investment. Given the private nature of the majority of angel investments, it offers a unique lens on trends in such investments in the UK.

To build on the UK's position as a scientific superpower, we need to provide the world-class businesses of the future with the capital they need to start-up, scale-up and remain anchored in the UK. Business angels are the most significant source of equity investment in start-up and early stage businesses seeking to grow, also providing 'smart capital', alongside equity finance, as they bring business experience, strategic advice and networking opportunities.

## A changing market

A record £8.5bn of equity finance was invested in 2019, showing the strength of the UK equity ecosystem in supporting scale-up companies. but there were indications that the UK equity market was changing even before the emergence of Covid-19.

The amount of annual investment going to seed stage companies declined by 1% in 2019, however. Although the rate of decline is small, this ends continuous year on year increases since 2011, and coincides with 2019 being the first year where the number of companies receiving follow on rounds exceeded the number of companies raising equity finance for the first time.

It is, however, encouraging that business angels appear to be responding positively to the Covid-19 pandemic, with more than half making an investment between April and July this year, nearly half planning to build their portfolio in 2020/21 and nearly three quarters confident about future growth.

The British Business Bank is committed to addressing imbalances in the demand for and supply of capital so that funding flows to talented entrepreneurs, irrespective of their background or business location. This report shows early signs of improvement in the diversity of funders but many challenges remain in achieving greater representation of diverse groups of both funders and founders of smaller businesses.

## Supporting angels in the regions

Access to finance for businesses across the UK is inconsistent, with uneven regional and local distribution. For seemingly near-identical companies, where they are based has a significant impact on the type of finance and the finance providers they access, and this is particularly the case for equity finance.

Angels can be key to creating and building regional or local finance ecosystems as they make investments, exit, and then recycle their capital into new ventures. They have historically been heavily concentrated in London and the South East, alongside established groupings in cities such as Oxford and Cambridge, meaning many areas of the country have, unfortunately, missed out on the benefits they bring.

To address this, the British Business Bank supports the Angel CoFund and established its £100m Regional Angels Programme in 2018. The programme seeks to develop clusters of angels outside of London and the South East so that other regions can start to build the vital 'grassroots' components of an equity ecosystem, particularly benefiting early stage businesses seeking smaller investment sizes.

Providing this angel funding can be especially beneficial in developing science and technology businesses, such as prospective globally competitive companies in frontier sectors such as Biotech, DeepTech, and Clean Renewable Energy. By supporting these important sectors, we can help maintain the UK's position as a technology centre and provide the high-quality jobs and tax base necessary for a strong and advanced economy.

We look forward to working with the UK's business angel community and the UKBAA as we continue to improve this vitally important area of the finance market so that smaller businesses can access the finance they need to grow and thrive.

**Catherine Lewis La Torre,**  
CEO, British Business Bank



# UKBAA Introduction

Angel investment is a vital part of the supply chain of risk capital to innovating growth focused small businesses across the UK and this has been a lifeline to many businesses during the crisis.



We are very grateful for the support of the British Business Bank once again in carrying out this research on the angel market in 2019 and the additional survey in July 2020. This will enable us to better understand the trends, opportunities and needs across the angel landscape and identify what more can be done to build further angel investment to support economic recovery.

The pandemic has presented new challenges to angel investors over the past months, both in relation to their own personal investment capacity and with many businesses in their portfolios requiring support. Angels have demonstrated throughout this period the important role they play in, not only bringing much needed capital, but providing business experience and strategic advice, drawing on their own experience of dealing with previous economic crises. It is heartening to see that the angel community has shown such resilience during this period and that many angels feel positive about making new investment in the coming months.

The research results demonstrate the continuing disparities in levels of angel investment across the UK regions and whilst we had a relatively low participation from regional angels in the survey, we must continue to conclude that many regions outside the Golden Triangle lack sufficient angel investment. It will be vital at this time as we seek to rebuild local economies to increase the number and capacity of angels in the underserved regions to support the growth needs of small business. The BBI Regional Angels Programme is an important instrument in bringing much needed co-investment funds alongside angel investment. We hope that many more angel groups across the UK regions can take advantage of this in the year ahead.

UKBAA has for some time been working to increase access for female founders to angel investment and we have been focusing on growing the number of female investors as a key part of the solution. We are proud to have been a founding signatory of the Investing in Women Code which resulted from the Rose Review and pleased that many members of our investment community have also now signed the Code. It was good to see that more women investors participated in the research, but there is still considerable progress to be made to increase the number of female angel investors across the UK, as well as investors from ethnic minority groups. Nevertheless, we know that many of our angel groups are taking direct actions to increase diversity, both in relation to their investments and in their investor base and we will look to build on their work and achievements going forward.

We are extremely grateful to our members and those in the wider angel community who supported this research and generously gave their time to complete the survey, both in 2019 and the more recent one in July 2020. On behalf of UKBAA, I should like to thank once again the British Business Bank for providing this most valuable research report and look forward to our continuing collaboration.

**Jenny Tooth OBE,**  
**Chief Executive, UK Business Angels Association**



# Executive summary

Angel investors play a key role in the early stages of the equity finance landscape with their ability and willingness to make very high-risk investments. They are also often referred to as ‘smart capital’ because, alongside the equity finance they provide, they bring business experience, strategic advice and networking opportunities.

Due to the private nature of the vast majority of angel deals, data on the size of the angel market is patchy at best. This report takes a look at a range of data sources and estimates of the size of the UK angel market in an attempt to quantify the support they provide privately owned businesses with high-growth potential with our best estimate at around £2bn a year. The UK angel investor community continues to lead the way in Europe no matter which data source you choose, though it is still some way behind the US.

Given the lack of data, this report presents the findings of two surveys of business angels commissioned by the British Business Bank with support from UK Business Angels Association and independently run by PwC Research. The findings reflect the responses of over 650 business angels and provides data and insights into angel activity both before and after the onset of Covid-19.

## The report highlights several key themes:

### **The UK business angel market has continued to support businesses since the onset of Covid-19**

During these unprecedented times, angels are still using both their money and expertise to support UK SMEs. At the time of our second survey (July 2020) over half of our respondents had made at least one investment and over half had increased their engagement with their investee businesses. This latter point could prove the most important during these challenging times given the years of experience the average angel possesses.

This support is despite half of our respondents reporting a negative impact from Covid-19 on their investments, with only one in ten seeing a positive impact due to the current Covid-19 situation. While angels have continued to invest in and support businesses, this may have impacted the value of initial and follow-on investments made by angels since the end of the last tax year, both of which are lower than in previous years.

### **Angels have had consistent sectoral preferences throughout both surveys**

Our angels invest across a broad range of sectors, but the same four sectors received investment from the largest proportion of our respondents both pre and post the onset of Covid-19. These sectors were Healthcare, Digital Health and MedTech, Bio Tech, Life Sciences and Pharmaceuticals, Software as a Service and FinTech. Our latest survey found that these were the sectors that the majority of angels considered were performing relatively well since April 2020, suggesting it is unlikely they will fall from favour anytime soon.

### **There is a lack of gender and ethnic diversity in our angel sample but some positive signs**

The demographic profile of angel investors from our initial survey was largely consistent with that of previous studies - predominantly male, White, aged 55 years on average and concentrated in London and the South East. However, the percentage of females in our sample increased and over half of our respondents stated they were seeing an increase in the number of female investors in their network over the last three years. Furthermore, four in ten stated they always or frequently co-invest with female angels, either in a syndicate or via a mixed investor group.

As with the investors who identify as female, the number of ethnic minority respondents has increased since the 2017 survey but Black and Asian investors remain underrepresented. This mirrors the Diversity VC and OneTech survey of venture capitalists which suggested that the London VC community is also disproportionately White British.

### **Business angels remain confident about the future**

While the respondents from our latest survey noted challenges and changes to come, the majority of angels (72%) are confident about the future growth in value of their portfolio and the opportunities for both investments and exits. Around a half of our respondents are open to building their portfolio in the current climate while only 12% said they did not intend to make any further investments.

This report yet again highlights the importance of angel investors to the UK economy. The British Business Bank has been and remains committed to supporting UK angels through our programmes whenever possible. The information we receive via this survey, alongside our more regular interactions with angel finance partners and the UKBAA, is invaluable in informing the Bank's and UK policy makers' understanding of the angel market and the challenges and opportunities it faces.



# Introduction

This is the second edition of the British Business Bank ('Bank') UK Business Angel Report examining trends in UK angel investing, which is published in collaboration with the UK Business Angels Association ('UKBAA'). Due to the lack of published angel data, as discussed in the Sizing the Market chapter, the reports are based on surveys of those angels we can reach via the UKBAA and our own programmes.

The 2020 edition was originally due to be published in Spring 2020 following a survey completed in the latter half of 2019. However, given the impact Covid-19 has had in 2020 we decided to delay the publication of the report until Autumn 2020. This delay has allowed us to go back out in the field with a follow-on survey designed to gain insight into the impacts of Covid-19 on angel investment in real-time, while the data collected during the original survey serves as an important benchmark of the market prior to the pandemic and gives context to what has happened since.

As noted in the British Business Bank Equity Tracker Report 2020, Beauhurst reported a record £8.5bn of equity finance was invested in 2019, showing the strength of the UK equity ecosystem in supporting scale-up companies.<sup>1</sup> Strong investment was combined with an increase in the number of announced equity deals which grew 4% in 2019 to 1,832, the highest annual number since the series began in 2011.

Although activity has been strong overall in 2019, there were indications that the UK equity market was changing even before the emergence of Covid-19. The amount of annual investment going to seed stage companies declined by 1% in 2019. Although the rate of decline is small, this ends continuous year on year increases since 2011. This reversal coincides with 2019 being the first year where the number of companies receiving follow-on rounds exceeded the number of companies raising equity finance for the first time.

Against this wider equity background, the following report discusses the important role angels play in early stage investment and, given the private nature of the

majority of angel investments, offers a different lens on trends in seed and early stage equity investments in the UK. The survey responses received from the angel community will act as a record of previous activity and will help inform policy makers, both local and national, as the situation evolves.

## UK equity finance and the importance of business angels

The UK is a world-leading place to start a business. Despite this, UK productivity lags those of our G7 peers and the Bank's Small Business Finance Markets report<sup>2</sup> notes that whilst international comparison of UK performance in translating start-ups into scale-ups has improved, some of the UK's highest potential, most innovative start-ups can struggle to scale up because of a lack of finance.

SMEs are a crucial part of the UK real economy and supporting scale-up SMEs could help to address the UK's productivity puzzle. Research has shown that successfully increasing the number of firms that scale-up would substantially impact job creation, productivity and growth. As such, there remains more to be done to deliver an effective patient capital system.

Evidence suggests that there is a lack of effective supply of long-term investment in innovative firms led by ambitious entrepreneurs who want to build large-scale businesses in the UK. For a start, fewer UK companies with high growth aspirations attract early stage equity funding at scale, particularly relative to their American competitors (figures 1 & 2).

Figure 1

### Cohort analysis of companies receiving initial VC funding in 2011-2012

Source: British Business Bank analysis of PitchBook

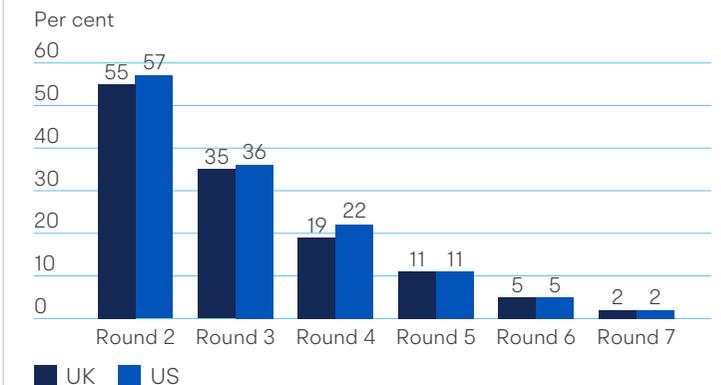
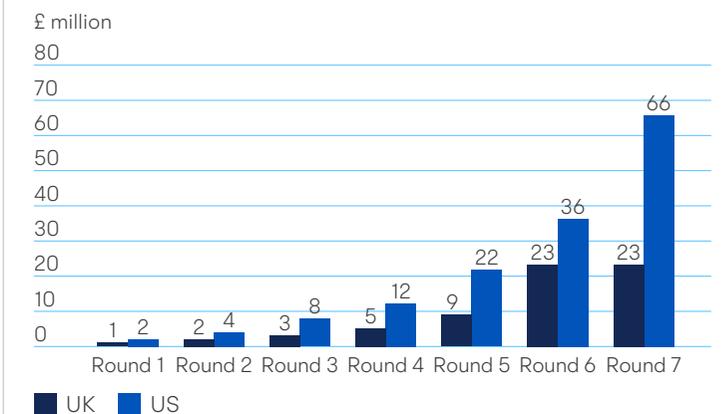


Figure 2

### Cohort analysis of companies receiving initial VC funding in 2011-2012 Average deal size by funding round (£ million)

Source: British Business Bank analysis of PitchBook





Although this can come from any combination of venture capital ('VC') funds or individual investors, business angels, defined as people who invest their own money in businesses in exchange for a participation in capital, have been recognised as the most significant source of equity investment in start-up and early stage businesses seeking to grow. This is backed up by our survey which finds our angels are largely investing in the initial stages of a business (figures 3 & 4).

This is in part because at the early stages, companies often require smaller absolute sums of investment, but at higher risk of loss and for longer periods of time before any return can be expected as they are farther away from revenue or profit generation. However, such companies are subject to information asymmetries which can cause a structural market failure in the provision of sufficient supply of appropriate equity capital.

Fixed costs for obtaining information about businesses' investment prospects mean that smaller deals are less attractive to investors than larger deals due to relatively high costs for investment appraisal and other transaction costs which remain constant across different sizes of investment. Furthermore, relatively more information is freely available or at least readily attainable on the viability and potential returns of larger, older, more stable businesses than for smaller, younger, high potential but volatile SMEs.

Business angels, rather than legally structured VC funds, are therefore most likely to be able to sustainably make these small ticket, very high-risk equity investments. Cost issues are less acute compared to a fund of investment professionals that must report to its limited partners and abide by regulatory requirements. Financial incentives for an angel are just as well aligned as with a fund, as individuals earn profit from the successes in their portfolio of investment companies and they only take ordinary shares.

Angels are also typically engaged in providing support to businesses they invest in and do so through a wide range of 'smart capital'. This can be just as important, if not more so, than the finance they provide, particularly to young companies who are finding their way and may lack some key skills, know-how and contacts. This has also proven to be a key role since the onset of Covid-19, more of which is discussed in chapter 1.

Figure 3

**Maturity of businesses angels typically invest in**

Source: The UK Business Angel Market survey 2019 (n=508)

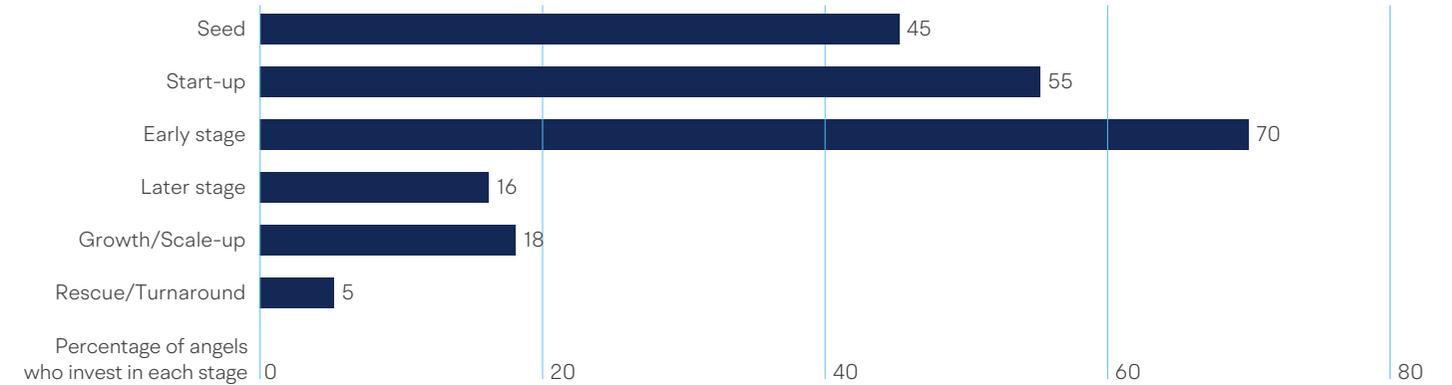
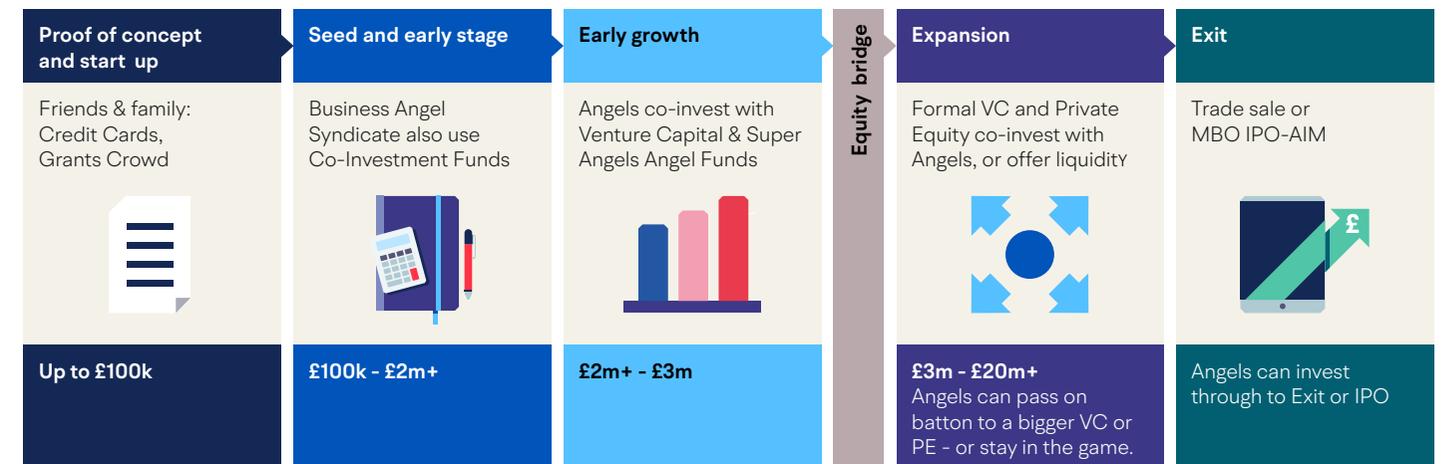


Figure 4

**The equity ecosystem**

Source: UK Business Angels Association





In more normal times, this advice from angel investors can help SMEs form productive relationships and connections with other businesses and institutions. These links help form entrepreneurial ecosystems, connected systems of businesses, finance providers and other entities that influence entrepreneurial outcomes. Chapter 4 looks at the vital role of angel investors in regional and local entrepreneurial ecosystems in more depth.

51% of our respondents from the initial survey said they took an active role in supporting their businesses. The types of experience angels share with the businesses they invest in varies considerably and depends both on the background and experience of the angel but also the needs of the individual business (figure 5).

Strategic advice topped our list with 85% of the angels who reported actively supporting businesses offering this support, closely followed by being a sounding board. However, angels can offer much more specific help and guidance as shown by the fact 31% reported carrying out recruiting of key personnel whilst 30% helped implement management control and reporting systems.

Not all scale-up SMEs need equity finance, be it from an angel or elsewhere, to grow. External equity finance is only used by about 1% of the UK small business population and by only a small proportion of those that fit into the standard definition of 'high-growth'.

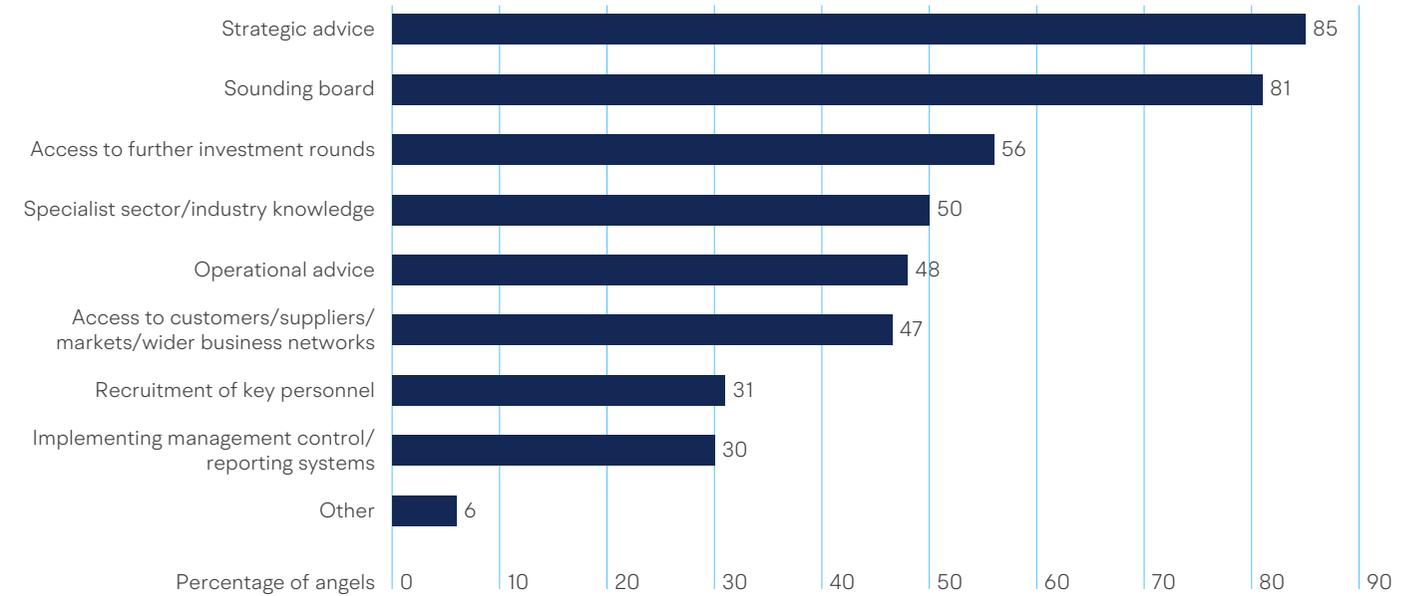
However, external equity becomes much more important to firms with ambitious plans for growth and those focusing on technology commercialisation, where revenues often lag investment significantly. For example, nearly half of high-growth technology firms use external equity finance and external equity investment is essential for firms who do not yet generate revenues that are looking to commercialise their R&D results.

These innovative firms have a disproportionate impact on productivity through the new ideas that they commercialise and bring to market. To drive productivity, it is therefore critical that innovative UK companies efficiently secure sufficient and appropriate equity finance.

Figure 5

**Type of experience business angels share with the businesses they invest in**

Source: The UK Business Angel Market survey 2019 (n=396)





# Sizing the market

The angel investor market is difficult to calculate with any degree of accuracy

Existing data sources provide a range of estimates for the visible UK angel market

The UK remains the number one European angel market

Despite the importance of angel investors, as noted by the UKBAA, the size of the market is difficult to calculate with any degree of accuracy. This is because many business angels do not publicly disclose their deals, so there are no robust figures available on the size of the UK or any other angel market. Furthermore, many angels invest independently and are not part of a recognised network or syndicate. An OECD study stated that 'While methods of estimating the full angel market size vary, it has been documented through many studies over the past decade that total angel investment is much greater than overall VC investment in the United States and as well as in some countries in Europe'.<sup>3</sup>

Existing providers of equity data offer a range of estimates for the number of deals and value of the visible UK angel market. Beauhurst, who provide data for the Bank's Equity Tracker reports, records angels were involved in 404 disclosed equity deals in 2019. The value of these equity deals involving business angels was £1.25bn, a record year for the series. However, because this figure is the total deal size, and angels invest alongside other investor types like VC funds, it does not provide an indication of the size of angel investment itself.

PitchBook is another commercial equity data provider and they have estimated angels were involved in 395 deals worth £345m in 2019. This includes some deals made by angels using crowdfunding platforms. As mentioned above, commercial data providers are likely to underestimate the amount of angel activity in the UK, as most angel deals are not publicly disclosed.

We don't have 2019 data from the European Business Angels Network ('EBAN') but they estimated the size of the UK angel market at around £1bn in 2018, roughly 15% of their estimated total European market. This was made up of £98.1m (€109.4m) visible angel investment and the assumption that the visible market accounts for only 10% of the total size of angel investing.<sup>4</sup> This was an increase of 2.7% on their 2017 number.

PitchBook's equivalent measure shows £396m of angel investment in 2018, which is 47% of the total European angel investment they have recorded. The UK number was a decrease of 7% on the £427m reported in 2017. Not only is there a considerable difference between these two measures but they show different directions of travel and different UK shares of the European total too.

A further potential indicator of the size of the angel market can be found via Enterprise Investment Scheme (EIS) and Seed Enterprise Investment Scheme (SEIS) data. EIS and SEIS are tax efficient benefits the UK government offers to UK taxpayers for their equity investment in higher-risk early stage start-ups and small companies. EIS is designed so that a company can raise money to help grow their business and SEIS is designed to help companies raise money when it is starting to trade. Our survey, in line with previous surveys, found that 86% of respondents utilised the EIS or SEIS scheme during the tax year (2018/19).

The latest HMRC data shows that £1.82bn was raised via the EIS scheme in 2018/19, down from £2bn in 2017/18, and a further £163m via SEIS, a total of just under £2bn. This was the lowest combined total since 2013/14 and followed a record year in 2017/18 (£2.2bn)

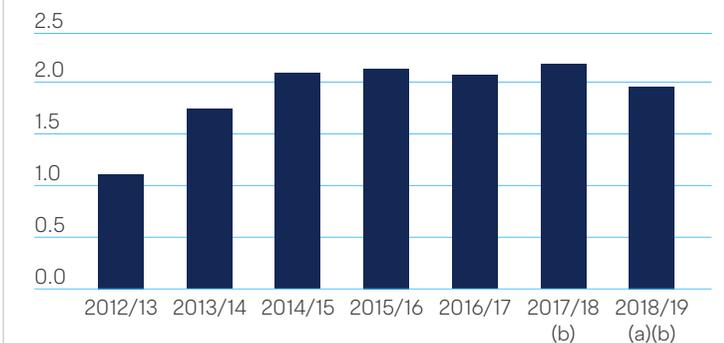
(figure 6). However, 2018/2019 is the first full year that captures the risk to capital changes made at the Patient Capital Review that removed asset backed EIS investment. Given that the asset backed section of the EIS market traditionally raised in the region of £300-£400m, this represents a relatively small fall in the total investment into EIS.<sup>5</sup> While not all this will be angel investment and not all angel investment is captured in this data it is probably the best estimate available to measure the size of the business angel market in the UK.

Whilst these are significant numbers the US still leads the way. Angel investment in the US has been estimated to be in the early-to-mid \$20bn.<sup>6</sup> However, the UK remains the number one European angel market no matter which measure you choose to look at.

Figure 6

## Amount raised via EIS and SEIS, £bn

Source: Enterprise Investment Scheme, Seed Enterprise Investment Scheme and Social Investment Tax Relief statistics: May 2020



(a) first full year that captures the risk to capital changes  
(b) provisional data



# A tale of two surveys

As part of its mission to improve finance markets for smaller UK businesses, the British Business Bank commissioned PwC Research to conduct a business angel survey in 2019, to build on the findings from the ‘2017 UK Business Angel Market Survey.’<sup>7</sup> The 2019 survey was designed to both update the findings of our first business angel report and to delve into the important issues of diversity and the role angels play in regional and local ecosystems.

Via the UKBAA, our Regional Angels Programme and the Angel CoFund, 508 business angels completed our online survey. The survey was conducted between the 4th September and the 26th November 2019 and asked about both the profile of the respondent and the characteristics of their investments. Questions covered full tax years from 2016/17 to 2018/19 and the first half of 2019/20.

168 of these respondents also chose to complete a telephone survey. This was conducted between the 16th September and the 29th November 2019 and provided further insights into the location of investments, female investors and female-founded businesses.

This first survey was meant to form the basis of our entire original publication but with the onset of Covid-19 and the initial lockdown we not only delayed the original publication but soon realised this new dynamic needed to be addressed for the industry and policy makers to get the most out of the report. As such we made the decision to go back out into the field with a second survey to help our understanding of what is happening in the angel market as a result of Covid-19.

Our second survey was online only and we had 265 business angels complete it. Of these, 102 had also completed the original survey in 2019. The fieldwork was conducted between the 15th July and the 2nd August 2020. This survey also asked about the profile of the respondent and the characteristics of their investments in the last full tax year (2019/20) and finally about their experiences since the end of the last tax year and the onset of Covid-19 in the UK.

Where appropriate we have combined the two surveys for the fullest picture but on other occasions, given the differing sample and the unique questions in both, most chapters of this report only utilise one of the two. Much of the original data informs chapters 2 onwards which now serve as an important historical benchmark of angel activity while the second survey informed our discussion on the role angels have played during Covid-19 (chapter 1).

## Definition of business angel used as qualifying criteria:

One constant across the two surveys is the definition used for a business angel. We defined this as an individual who has made at least one equity investment in a small unquoted business that is not owned by their spouse, child or grandchild. The investee business may be at start-up stage, or in the early stages of development, or more established and looking for further growth. The investment may be made by an individual acting alone, or through an angel syndicate, network or club.

Participants were required to have made an equity investment as a business angel within the past three years (since September 2016 for the initial survey, July 2017 for follow-on survey) or, for a small number of respondents, to still have an active investment portfolio as a business angel predating this. For the purposes of this research, participants were asked to exclude any investments that they have made as an individual on an online investment platform or crowdfunding site but to include those made when co-investing.



## Chapter 1.

# Investing in the time of Covid

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Angels have continued to invest, albeit at lower values

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Half of angels have increased their engagement with their investee businesses

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Covid-19 has had varying impacts on industries

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Investment performance by location is highly polarised

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Exits have been rare, but mostly positive

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Angels generally have a good level of awareness of Covid-19 support measures

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Economic uncertainty is the biggest challenge which our angels foresee

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# 1. Investing in the time of Covid

Given the often personal nature of angel investing and the prevalence of syndicates, networks or clubs in the industry there were fears that angel activity could be seriously impacted by Covid-19. Given the important role they play in the equity ecosystem, as described in the introduction, a significant decrease in angel activity could have a lasting negative impact on the UK economy.

Thankfully, so far at least, this has not been the case. The level of activity from syndicates, networks or clubs has largely stayed the same (40%) or increased (26%) since the onset of Covid-19, with only around a quarter seeing less interactions. Furthermore, angels are still using both their money and expertise to support SMEs during these challenging times.

## 1.1. New and follow-on investments

### Angels have continued to invest, albeit at lower values

At the time of our survey (July 2020) over half of our respondents had made at least one investment with the sample average being 1.5 investments, pro rata this is above the 2018/19 rate and not out of line with the finding from 2019/20. However, market contacts tell us some angels have been bringing capital forward in Q1 and Q2 to support their portfolio businesses suggesting it is unlikely there will be the same level of angel capital available in Q3 and Q4 to make new investments.

While two in five of our respondents reported not being impacted by Covid-19, half of angels cited a negative impact on their level of investments, with only one in ten seeing a positive impact. The value of initial and follow-on investments during 2020/21 to-date is considerably lower than previous years, sitting at an average of £69k and £46k respectively.



The two main reasons cited by respondents for why Covid-19 has had a negative impact were that the economic uncertainty had affected the angel's own personal investment capacity and that they concentrated on supporting and investing in their portfolio businesses (figure 7). It should be noted that 2019/20 had already shown a small fall in these average values to £100k and £70k from a series peaks of £108k and £77k, possibly reflecting the increased economic uncertainty seen in 2019.

The small number of respondents (25) reporting a positive impact from Covid-19 gave a couple of unsurprising reasons why, that the sectors/activities

Figure 7

### Top main reasons why Covid-19 has had a negative impact

Source: The UK Business Angel Market survey 2020 (n=130)

	Percentage of angels
Economic uncertainty has affected my own personal investment capacity	55
I have concentrated on supporting and investing in my own portfolio business	52
Lack of access to relevant investment opportunities	18
Lack of co-investment available	12
The sector(s) I normally invest in have been badly affected by Covid-19	9
Lack of access to relevant Government measures	8
Lack of next stage investment	6
Inability to meet F2F/travel restrictions	5
Reduced/conserving funds	5

they normally invest in have benefited from Covid-19 and that valuations are lower, but also that they have allocated more of their personal annual wealth to invest during this time and have identified additional sectors to invest in that have benefited from Covid-19 (figure 8).

The top sectors angels have invested in remain consistent, with Healthcare, Digital Health and MedTech, Bio Tech, Life Sciences and Pharmaceuticals, Software as a Service and FinTech still attracting the most investors. This is both consistent with previous findings but also unsurprising given the nature of the crisis and the impact it is having on various industries.

Figure 8

### Top main reasons why Covid-19 has had a positive impact

Source: The UK Business Angel Market survey 2020 (n=25)

	Percentage of angels
The sectors/activities I normally invest in have benefited from Covid-19	48
I have allocated more of my personal annual wealth to invest during this time	40
Valuations have been lower	36
There has been a strong flow of quality investment opportunities	24
I have identified additional sectors to invest in that have benefited from Covid-19	24
Strong levels of co-investment available	24
I have successfully accessed relevant Government support measures	12
More time to focus on investments	8



## 1.2. Targeted smart money

### Half of angels have increased their engagement with their investee businesses

Since the onset of Covid-19, half of business angels have increased their engagement with their investee businesses. 54% of respondents reported greater engagement with their portfolio companies but importantly only 12% said they have greater involvement with all the businesses within their portfolio (figure 9). Over half of our respondents had prioritised between 11-50% of their portfolio for greater support (figure 10).

Over half of our angels said those investee businesses were prioritised as they needed support to achieve their growth milestones, while just under half reported they needed help to survive (figure 11). ‘Smart capital’ remains key for angels in providing support with over three quarters of angels reporting they have provided strategic advice (figure 12).

Market contacts have noted that for many angel investors, whilst the pandemic may have brought a number of specific additional challenges, having been through the dotcom era and the previous financial crisis has enabled them to bring valuable experience and insights to their portfolio businesses on how to maintain resilience and take relevant business decisions during this period. This has included taking a lean business model approach and lengthening the runway to the next main funding round.

Figure 9  
**Change in engagement/involvement with portfolio since the onset of Covid-19**

Source: The UK Business Angel Market survey 2020 (n=263)



Figure 10  
**Proportion of portfolio prioritised for greater support**

Source: The UK Business Angel Market survey 2020 (n=112)

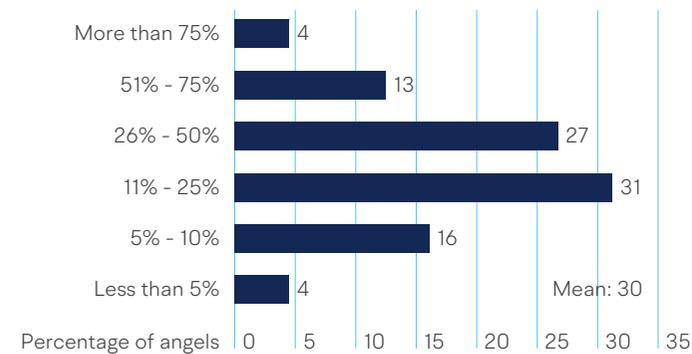


Figure 11  
**Basis on which investee businesses were prioritised**

Source: The UK Business Angel Market survey 2020 (n=112)

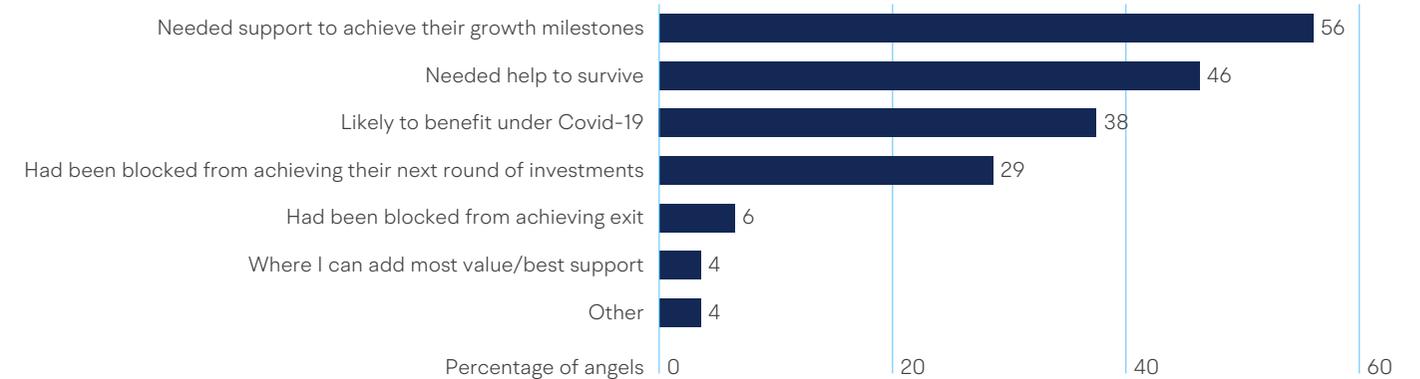
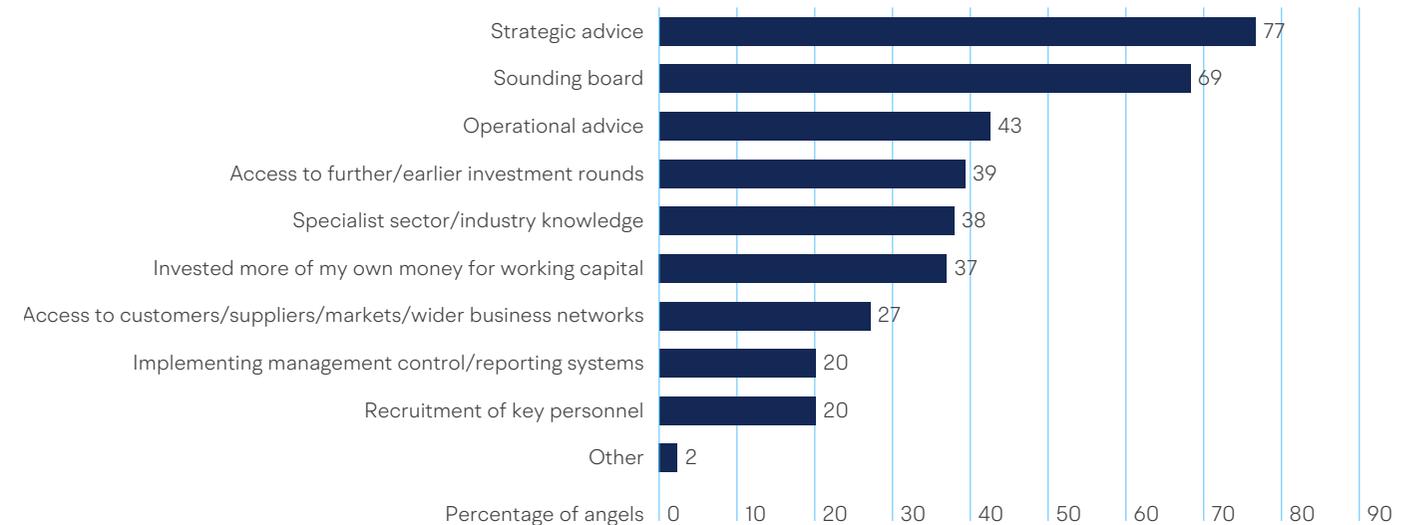


Figure 12  
**Support provided since the onset of Covid-19**

Source: The UK Business Angel Market survey 2020 (n=143)





### 1.3. Portfolio performance

In both the original and follow-on survey we asked angels to rate the performance of their portfolios over a full tax year against the previous year's performance. Given how little of the 2020/21 tax year had elapsed when we carried out the second survey we did not ask this question for 2020/21. Instead we asked the respondents if they were seeing any geographic or industrial differences in performance. While the sample sizes were very small for some locations and industries, performance was quite varied.

### Covid-19 has had varying impacts on industries

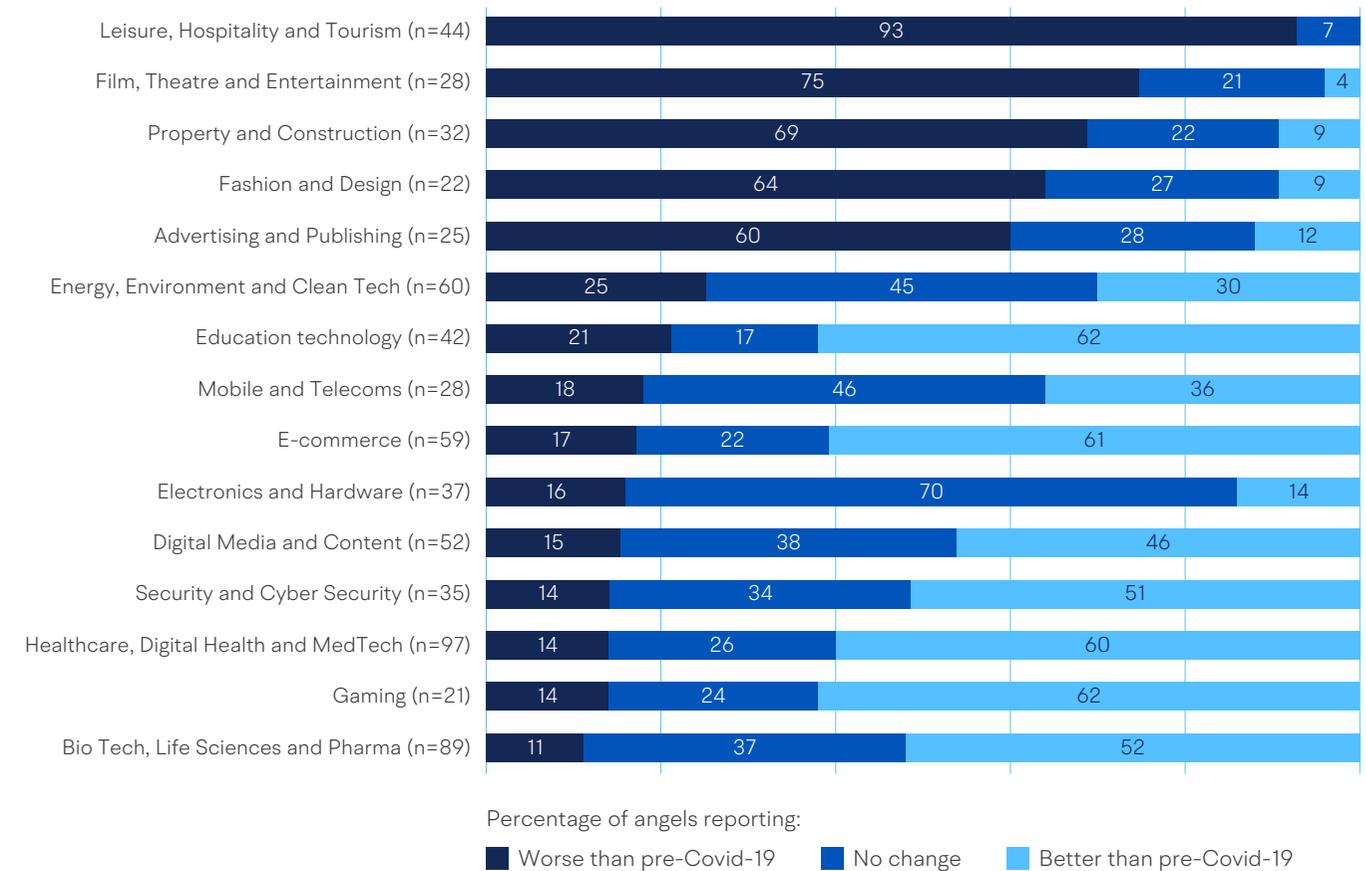
Unsurprisingly, industries that rely on travel, in person interactions or have limited remote working capabilities have suffered the most since the onset of Covid-19 according to our respondents (figure 13). Leisure, Hospitality and Tourism and Film, Theatre and Entertainment have at times been completely shut down while others, such as Property and Construction, have been hampered by supply chain and staffing issues as well as a lack of demand.

A higher proportion of respondents reported industries such as Healthcare, Digital Health and MedTech, Education technology, E-commerce and Gaming have been performing better since the onset of Covid-19. These are mostly industries that have helped their consumers deal with the many challenges of lockdown, including procuring the essentials, entertaining the household and replacing in-person schooling. They have also benefited from either being produced and/or supplied via the internet or being deemed essential services during lockdown.

Figure 13

### Selected sector performance since the onset of Covid-19 (a)

Source: The UK Business Angel Market survey 2020



(a) Sample sizes are small for some sectors, results should be treated with caution



### Investment performance by location is highly polarised

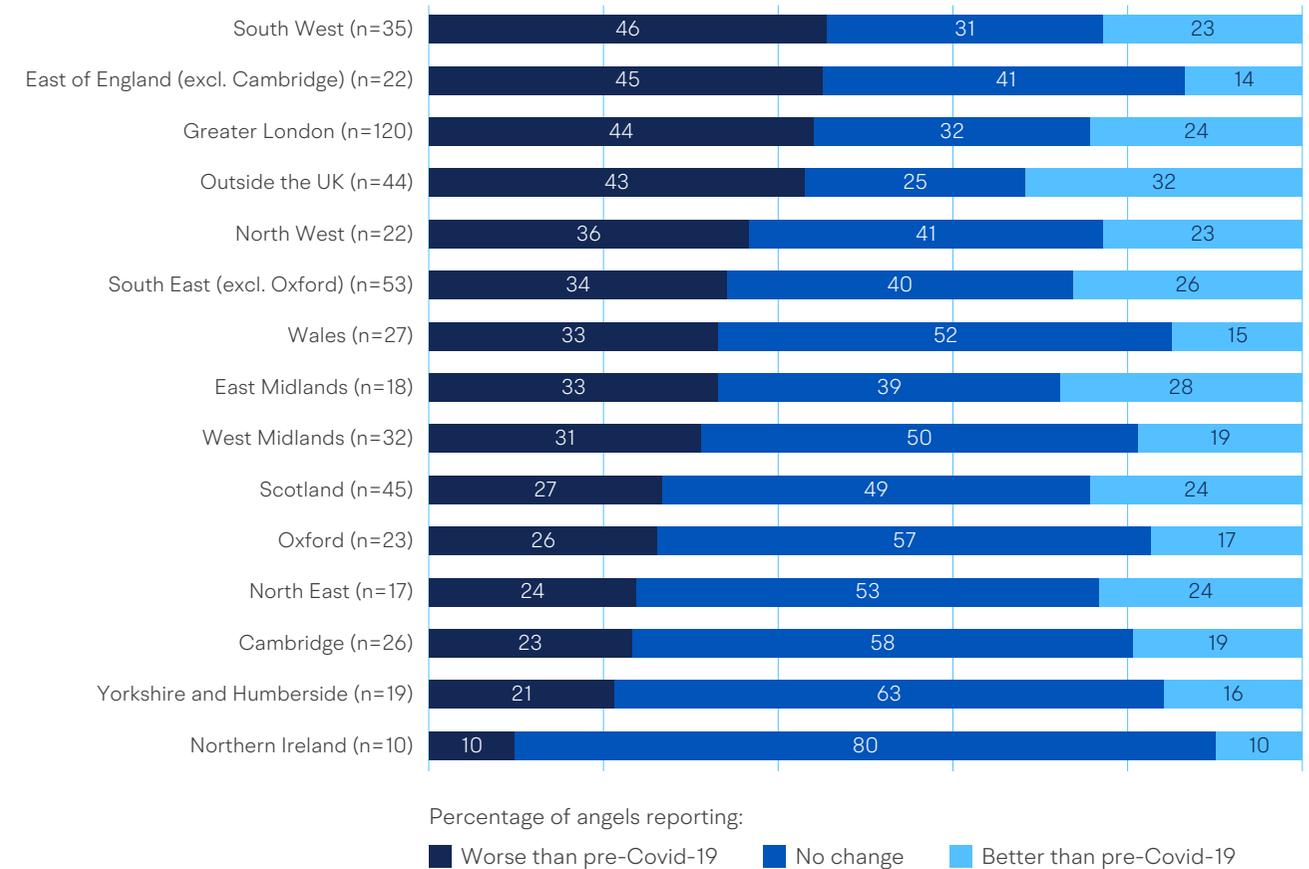
Sample sizes are very small for many locations meaning these findings need to be treated with caution, but some of the angel and indeed equity investment hotspots in the UK such as London and the South East are in the top half of worst performing locations since the onset of Covid-19 (figure 14). Scotland, Oxford and Cambridge appear to be holding up somewhat better alongside some locations with much smaller angel activity in general.

There are several potential reasons for these outcomes. For London specifically, it could be that it was first, and hardest hit by Covid-19. For some locations it could be they have a greater share of badly hit sectors, such as theatres and tourism, compared to some of the locations viewed as performing better. It could alternatively be a more positive story of industries performing well being situated in these better performing regions such as Life Sciences in Cambridge or Oxford. However, it could also be due to the very low sample sizes for many locations.

Figure 14

### Location performance since the onset of Covid-19 (a)

Source: The UK Business Angel Market survey 2020



(a) Sample sizes are small for some sectors, results should be treated with caution



### 1.4. Exits

#### Exits have been rare, but mostly positive

Only a minority (13) of angel respondents have had an exit since the end of the last tax year (figure 15). This exit rate compares with a quarter of our angels who had at least one exit in 2019/20. Positively though, one in five are anticipating an exit during the rest of 2020/21 which would bring the exit rate close to the previous year though understandably there is much more uncertainty currently.

Of those few who have experienced an exit (13), just over three quarters experienced mostly or all positive outcomes (figure 16). This is certainly higher than last year, but as noted a small sample. We also asked what their expected outcomes were for the remainder of the year and this is much more in line with 2019/20.

### 1.5. Government schemes

#### Angels generally have a good level of awareness of Covid-19 support measures

In our original survey we asked about the use of EIS and SEIS. The government scheme landscape is somewhat more varied now following a raft of interventions unveiled to support businesses as a result of Covid-19. As one would expect, given the experience and expertise of the average angel investor, respondents generally had a good level of awareness of Covid-19 support measures (figure 17). Only 3% reported knowing about none of the measures.

Usage of these schemes is somewhat more varied. For some of the schemes this will be the case of a portfolio business not needing to access the schemes while for others many businesses will not qualify. The same three schemes top both awareness and usage, the Coronavirus Job Retention scheme, the Bounce Back Loans Scheme and Deferring of VAT/income tax scheme (figure 18).

Figure 15

#### Proportion of angels who reported realised and expected exits

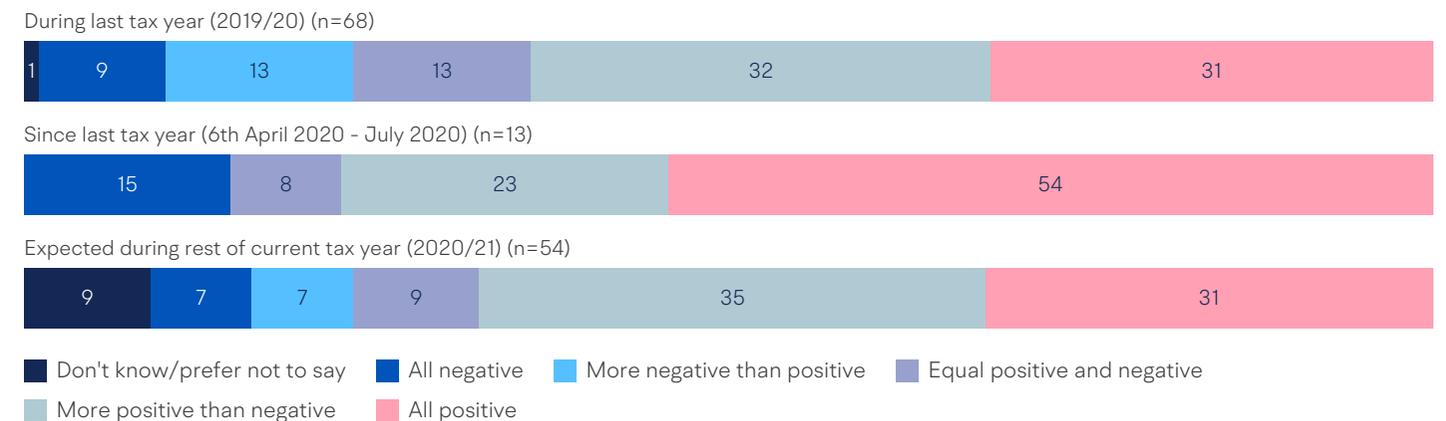
Source: The UK Business Angel Market survey 2020 (n=265)



Figure 16

#### Proportion of angels who reported outcomes of realised and expected exits

Source: The UK Business Angel Market survey 2020



Percentages may not total 100 due to rounding



Figure 17  
**Awareness of Covid-19 schemes**

Source: The UK Business Angel Market survey 2020 (n=265)

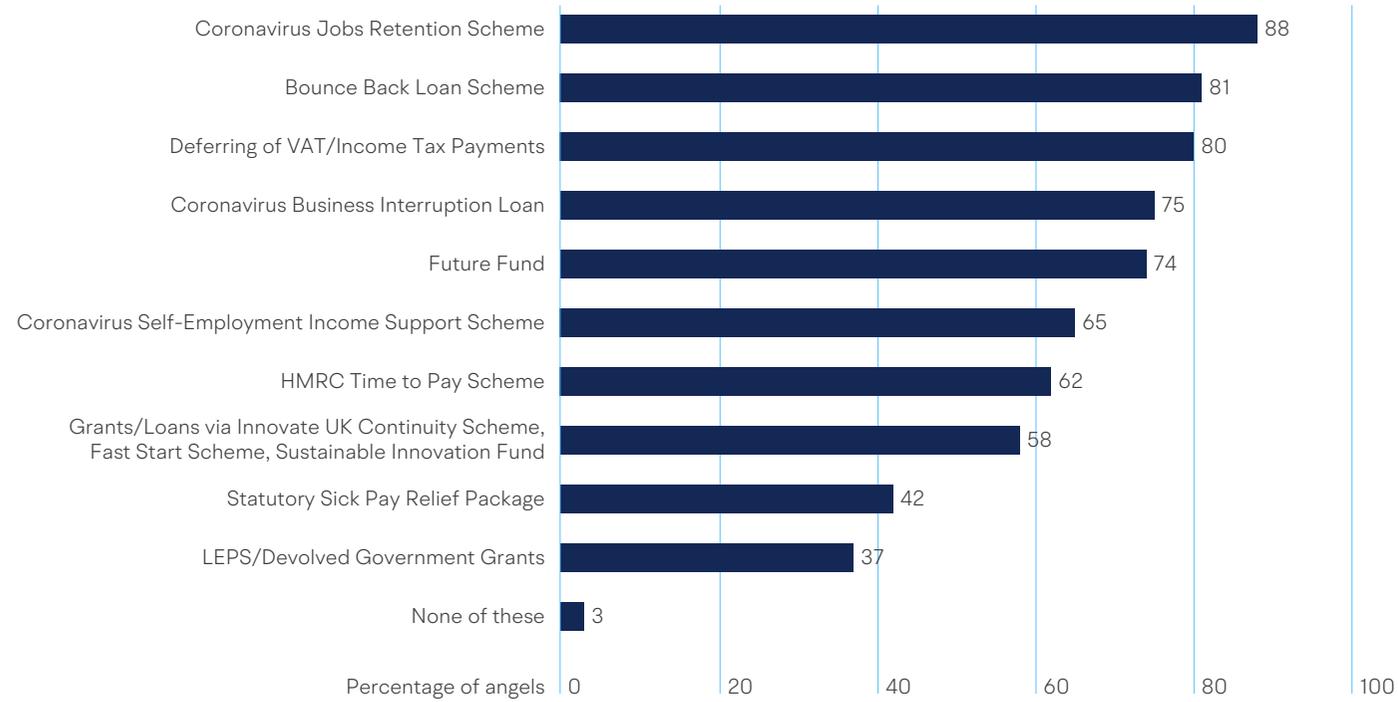
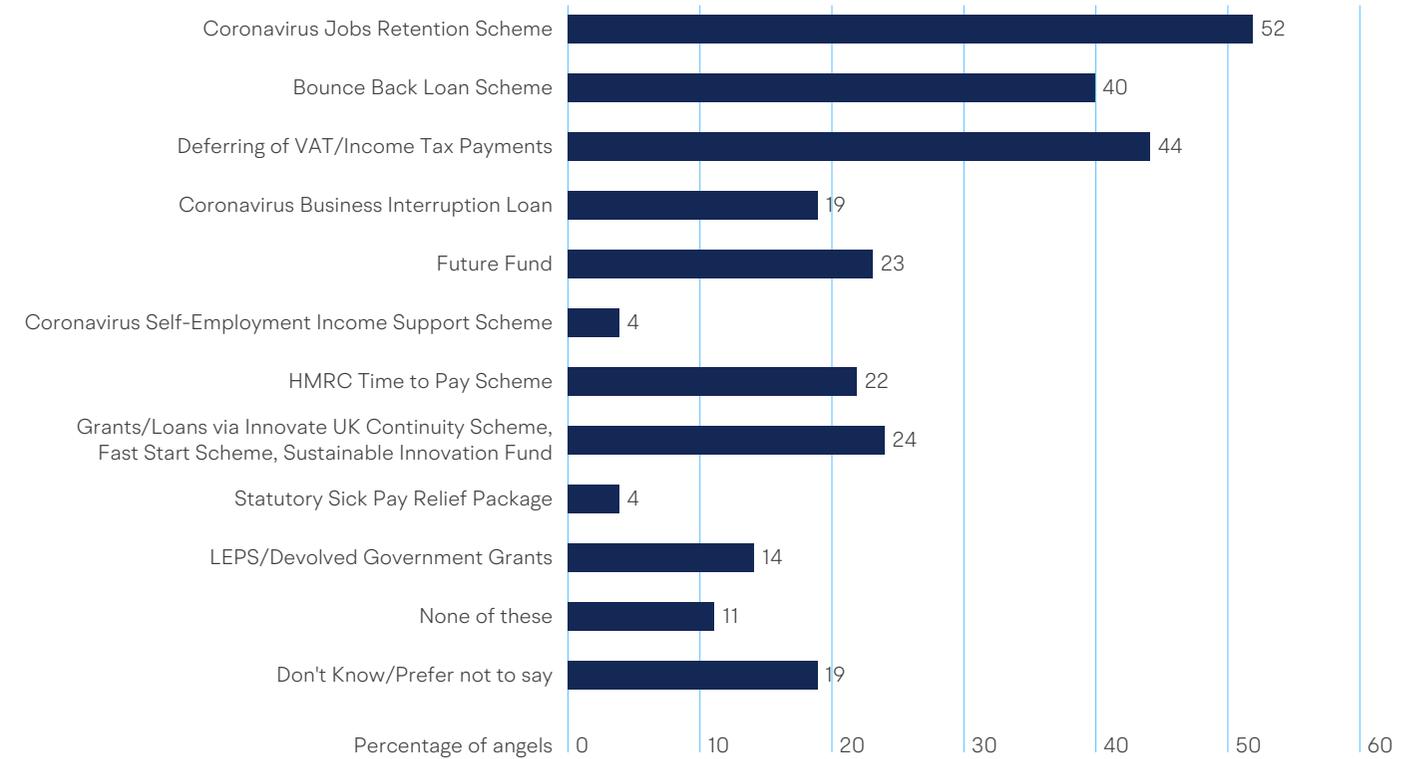


Figure 18  
**Usage of Covid-19 schemes**

Source: The UK Business Angel Market survey 2020 (n=256)





### 1.6. Challenges and outlook for angel investing

#### Economic uncertainty is the biggest challenge which our angels foresee

Economic uncertainty is the biggest challenge which our angels foresee, followed by Covid-19. Given the unprecedented challenges the UK economy has faced in the last few years this is hardly surprising (figure 19). Some respondents suggested this could lead to cautious investment choices by angels and a general reduction in investment while there continues to be economic uncertainty. Reflecting this outlook, the average anticipated allocation of investable assets to angel investing for 2020/21 is slightly lower at 13% vs. the 17% allocated in 2019/20 by our respondents.

Despite the uncertainty, most angels surveyed are generally confident about the future growth in value of their portfolio. 72% stated they were either somewhat confident or very confident of revenue growth over the next 12 months. Perhaps even more encouragingly, close to half of angels are open to building their portfolio in the current climate/rest of 2020/21, while only 12% said they intended to make no further investments and a further 6% expected to seek exit opportunities (figure 20).

Figure 19

#### The biggest challenges to investing

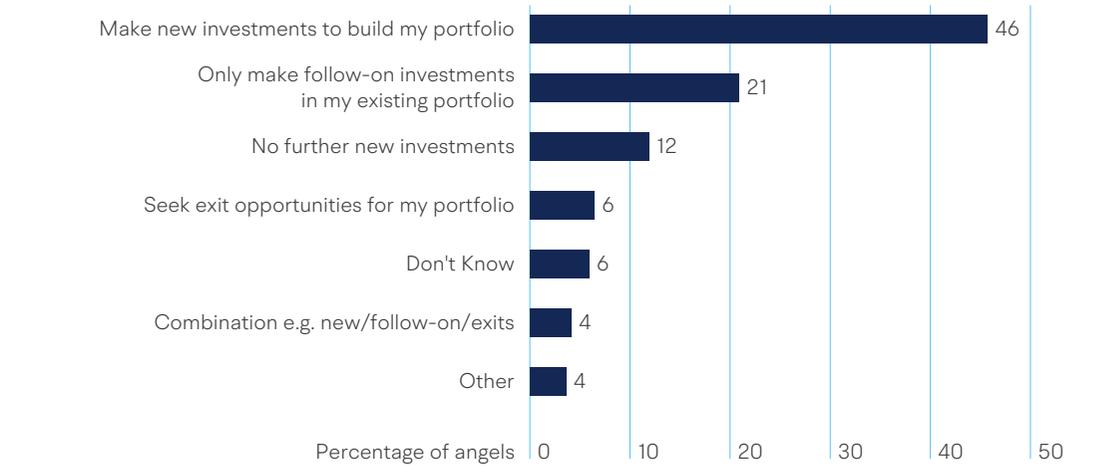
Source: The UK Business Angel Market survey 2020 (n=265)



Figure 20

#### Main investment intention for rest of 2020/21

Source: The UK Business Angel Market survey 2020 (n=265)





## Chapter 2.

# Investments 2017-2019

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The annual average number of investments by our respondents increased yearly

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Average initial and follow-on investment sizes appear to have increased

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Most angels saw their investments perform the same or better vs. the previous year

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Software as a Service, and Healthcare/Digital Health/MedTech attracted the most angel investors

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Angels most commonly invest due to the quality of the entrepreneurial team

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# 2. Investments 2017-2019

This section looks at the volume and value of investments made by our respondents during the tax years 2016/17 to 2018/19, the sectors they have invested in and the performance of those investments.

## 2.1. Volume of investments

### The annual average number of investments by our respondents increased yearly

In 2018/19, the mean number of new investments our sample of angels made was 3.8 while the mean number of investments ever held was 17.1. This mean number of new investments has gradually increased over the three years of data we collected (figure 21). The median number of new investments has remained at 2 during this same period.

The split of angel investors in each bucket has remained almost unchanged except for those making zero investments and those making 6-10. The percentage making zero investments has decreased each year and now stands at 15% while those making 6-10 has increased to 12%. In total our 415 respondents who gave exact deal numbers made over 1500 investments in 2018/19.

Figure 21

### Investments made during tax years 2016/17 to 2018/19 (a)

Source: The UK Business Angel Market survey 2019 (n=415)

	2016/17	2017/18	2018/19
<b>Mean</b>	<b>3.2</b>	<b>3.5</b>	<b>3.8</b>
<b>Median</b>	<b>2</b>	<b>2</b>	<b>2</b>
<b>Mode</b>	<b>1</b>	<b>1</b>	<b>1</b>
0	20%	16%	15%
1-5	66%	67%	67%
6-10	9%	11%	12%
11-15	4%	4%	3%
16-20	1%	1%	1%
21+	1%	1%	2%

(a) Excludes respondents who either didn't know or preferred not to say how many investments they had made

## 2.2. Value of investments

### Average initial and follow-on investment sizes appear to have increased

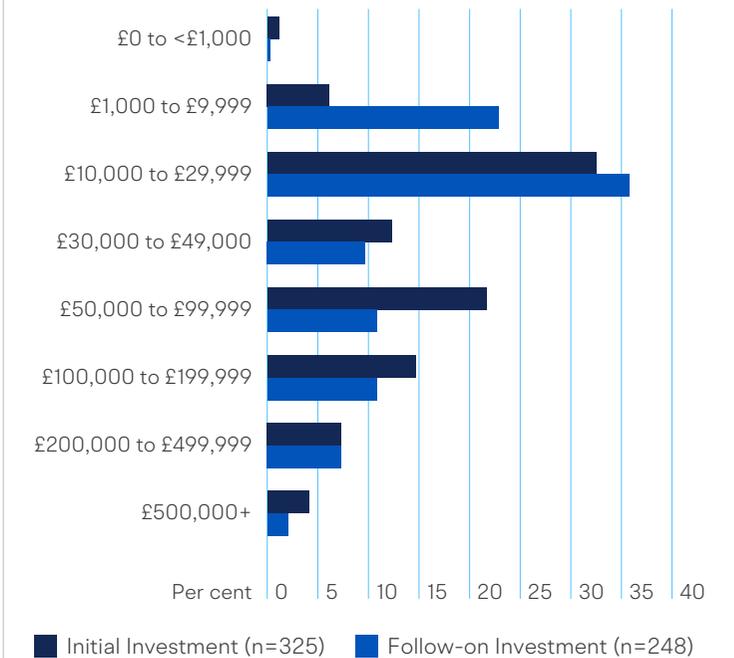
The majority of our angels matched (39%) or increased (37%) the value of their investments in 2018/19 vs. the previous tax year and only 23% reported investing lower amounts. For initial investments, despite two thirds of investments being between £10,000 and £99,999 the mean size was £108k, driven by several high value investments (figure 22). Unsurprisingly the median size was significantly lower at £45k. In our previous report, these stood at £80k and £25k respectively (tax year 2016/17). Follow-on investment values averaged £77k with a median of £25k. As with initial investments, the mean was an increase on 2016/17 (24%) but the median was unchanged.

The increase in mean investment values taken at face value and when combined with the increasing number of investments our respondents are making, would suggest a very positive story. However, whereas the investment volumes data we have compared are all from our 2019 survey and thus the same sample, the investment values are not with the 2016/17 values coming from our previous report. As such the increase in investment values shown above could be in part due to the change in profile of the respondents in our survey compared to the 2018 report which is discussed in chapter 3 - Our Angel Population.

Figure 22

### Proportion of investments in 2018/19 tax year, by value (a)

Source: The UK Business Angel Market survey 2019



(a) Excludes respondents who either didn't know or preferred not to say the value of investments they had made



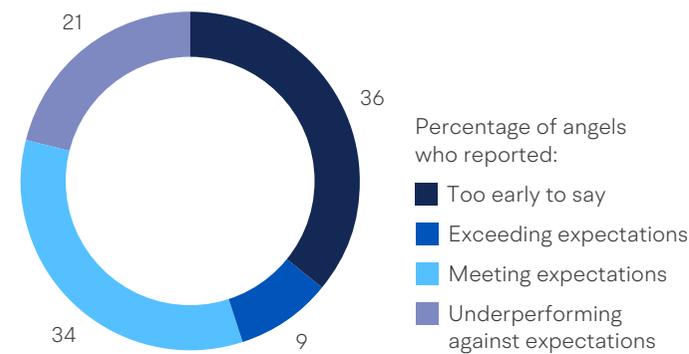
### 2.3. Performance and exits

#### Most angels saw their investments perform the same or better vs. the previous year

Against a backdrop of heightened political and economic uncertainty during 2018 and 2019, two in five angels surveyed said their investments were meeting or exceeding their expectations in terms of business/financial performance while only one in five said they were underperforming (figure 23). In 2018/19 more angels saw their investments perform the same (52%) or better (20%) than in 2017/18 with only 9% seeing them perform worse (figure 24). Things are more polarised when 2018/19 is compared to 2016/17, while an increased number of angels saw their portfolio performing better than expectations (27%), an increased number also saw their portfolio performing worse (13%).

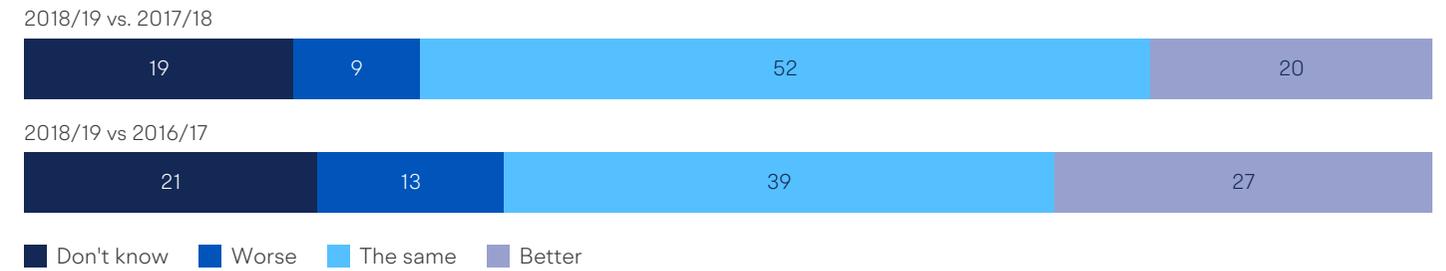
The majority of angels saw positive growth performance across both turnover (78%) and employment (76%) within the businesses in their existing portfolios in 2018/19. Two in five witnessed significant growth of 20%+ for both metrics. Only 8% had seen decreases in turnover and 6% have seen decreases in employment (figure 25).

Figure 23  
**Performance of current portfolio against expectations (a)**  
 Source: The UK Business Angel Market survey 2019 (n=500)



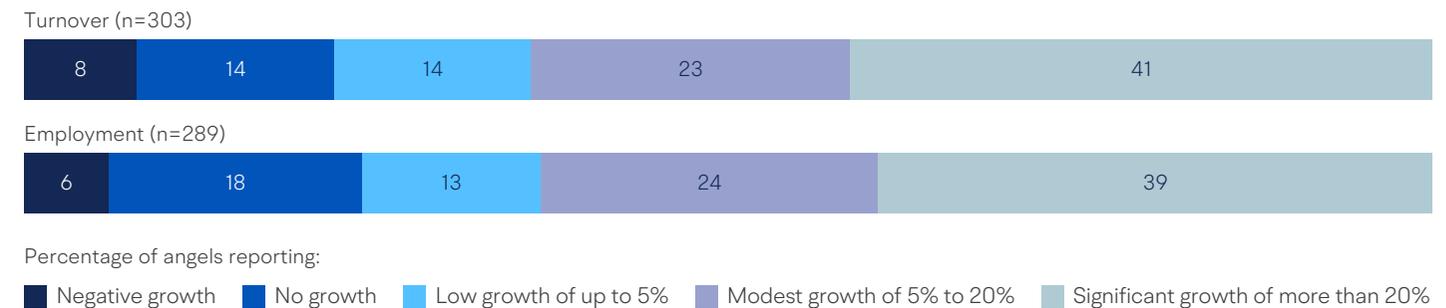
(a) Excludes respondents who either didn't know or preferred not to say

Figure 24  
**Historical performance comparisons (a)**  
 Source: The UK Business Angel Market survey 2019 (n=304)



(a) Excludes respondents who preferred not to say

Figure 25  
**Turnover and employment growth in current portfolio, 2018/19 (a)**  
 Source: The UK Business Angel Market survey 2019



(a) Excludes respondents who preferred not to say



Most of our respondents did not experience an exit during the 2018/19 tax year (70%). Of those who reported an exit, 70% had at least one positive exit and 59% had at least one negative exit (eg a write off). Whilst only 28% of angels experienced an exit in 2018/19, two in five anticipated an exit in the next 12 months.

There was considerable variation in the rate of return from exits in 2018/19 (figure 26). 44% of exits were reported as breaking even or losing money while 35% made positive returns with 3% (10 deals) being reported as returning more than 20x the investment.

Unsurprisingly given the stage of investment, trade sales and business liquidation remain the main exit routes, accounting for 59% of exits. 10% of exits were secondary sales to equity investors such as another angel or a VC/private equity ('PE') house (figure 27).

Figure 26

**Figure 26: Investment exit multiples, 2018/19**

Source: The UK Business Angel Market survey 2019 (n=300)

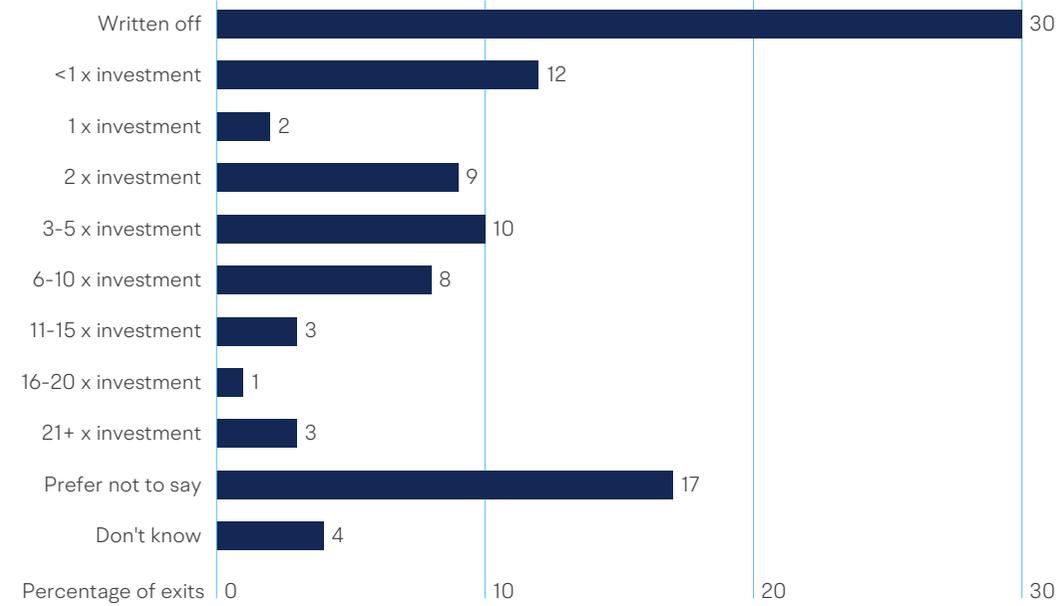
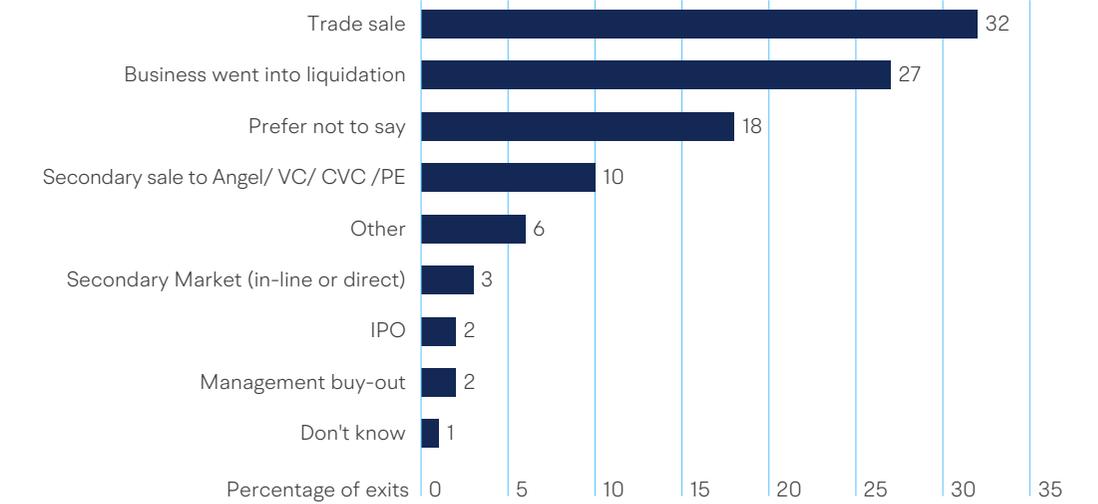


Figure 27

**Investment exit routes, 2018/19**

The UK Business Angel Market survey 2019 (n=300)





## 2.4. Sectors

### Software as a Service, Healthcare, Digital Health and MedTech attracted the most angel investors

Angels invested in a wide range of sectors across service and manufacturing industries during 2018/19. Software as a Service, Healthcare, Digital Health and MedTech and Bio Tech, Life Sciences and Pharmaceuticals all received funding from over 30% of our sample with FinTech unsurprisingly close behind receiving funding from just over a quarter of our angels (figure 28).

These sectors are some of the most talked about sectors in equity investment, not only in the UK but worldwide. Furthermore, over half of the angels surveyed have investments which include enabling/deep technologies, and this is more prevalent amongst those who invest in the top investment sectors (figures 29 & 30).

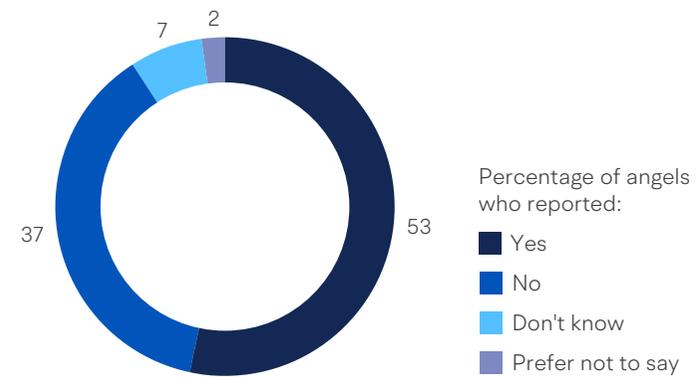
Figure 28  
**Sectoral split of investments (Top 10), 2018/19**

Source: The UK Business Angel Market survey 2019 (n=353)

	Percentage of angels who have invested
Software as a Service	38
Healthcare, Digital Health and MedTech	34
Bio Tech, Life Sciences and Pharmaceuticals	31
Financial Technology (FinTech)	26
E-commerce	22
Digital Media and Content	21
Energy, Environment and Clean Tech	20
Manufacturing, Materials and Engineering Technologies	18
Security and Cyber Security	16
Electronics and Hardware	15

Figure 29  
**Angels who have made investments which include enabling/deep tech, 2018/19**

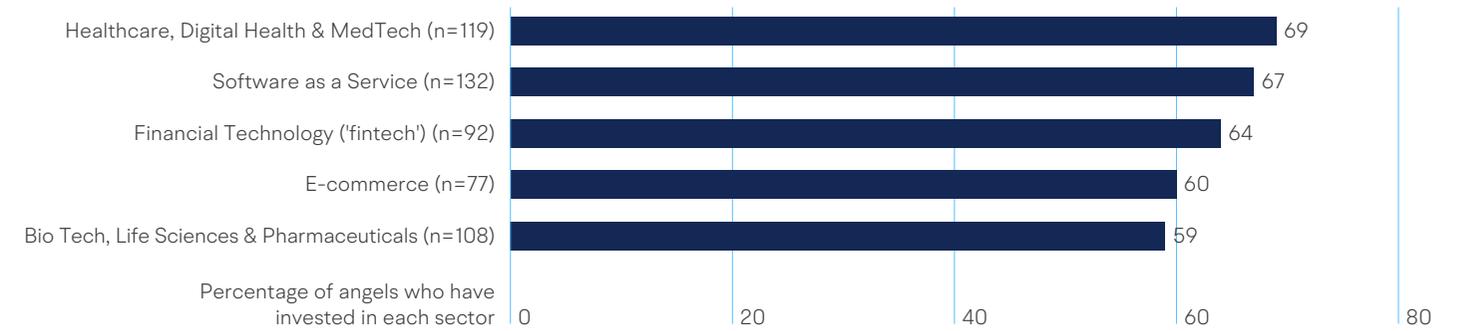
Source: The UK Business Angel Market survey 2019 (n=350)



Percentages may not total 100 due to rounding

Figure 30  
**Inclusion of enabling/deep tech by angels who invest in the top 5 sectors, 2018/19**

Source: The UK Business Angel Market survey 2019





## 2.5. Decision making

### Angels most commonly invest due to the quality of the entrepreneurial team

The number one factor when angels are deciding whether to invest in a company remains the quality of the entrepreneurial team and their skills and experience in particular. 91% of our respondents said this was very important while a further 6% said this was quite important (figure 31).

Over half of angels also place importance on the potential impact, be it societal, environmental or local, of their investments when seeking opportunities, but only one in five put an emphasis on the gender mix of the entrepreneurial team. This latter finding appears to be quite impactful as angel investments are dominated by male-founded teams and there is a well-documented correlation between gender of angels and the gender profile of the founders in which they invest.

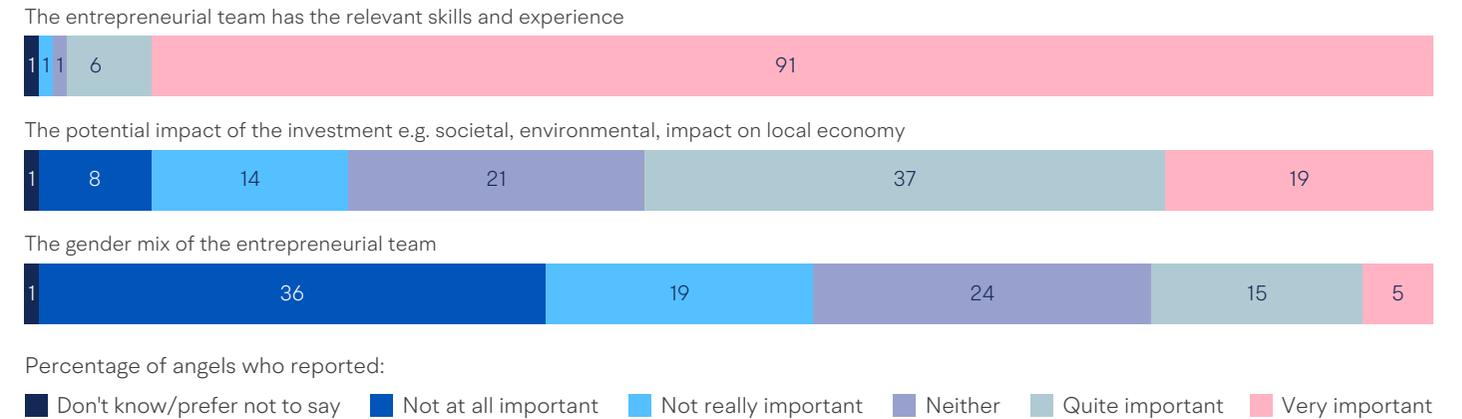
Even for those angels who reported investing in female or mixed founder teams, over half cited a very limited to no quality deal flow from female founders, with a lack of female founders in their investment sector being cited as the main driver for this. This is despite the fact that for investments that have female founders or mixed teams, there is generally a broad coverage across different sectors, with Software as a Service and Healthcare/Digital Health/MedTech investment slightly more common.

Performance doesn't appear to be the barrier to investing in female or mixed founder teams. Seven in ten angels reported female or mixed founded teams are performing at least the same or better than their all male founded team investments.

Figure 31

### Importance of factors influencing investments

Source: The UK Business Angel Market survey 2019 (n=508)





Chapter 3.

# Our angel population – 2019 survey

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There was an increase in the percentage of female respondents but it remains low

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The number of ethnic minority respondents has increased but they remain underrepresented

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The average age of our respondents has increased

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The majority of angels bring a significant amount of experience to their investments

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# 3. Our angel population – 2019 survey

Previous studies of the UK angel population have flagged up a lack of diversity as they have across many finance markets. The demographic profile of the angel investors who completed our survey is largely consistent with previous studies - predominately male and White with an average of 55 years old.

## 3.1. Gender

### There was an increase in the percentage of female respondents but it remains low

86% of our respondents were male. However, even though only 13% of respondents were female, this is an improvement on the 9% recorded in our survey in 2017 and more in line with the 14% who responded to the 'A Nation of Angels' survey in 2014. In our previous report we noted that the lower number of female angel respondents may have been impacted by 'The Barriers and Opportunities for Women Angel Investing in Europe' survey run prior to the 2017 survey.

As such this rebound could simply be a quirk in the data last time rather than a genuine change in the gender balance of angel investors. However, over half (53%) of our respondents stated they are seeing an increase in the number of female investors in their network over the last three years, with four in ten either always or frequently co-investing with female angels, either in a syndicate or via a mixed investor group (figures 32 & 33).

Figure 32

### Change in the number of women in syndicates or groups over the past three years

Source: The UK Business Angel Market survey 2019 (n=128)

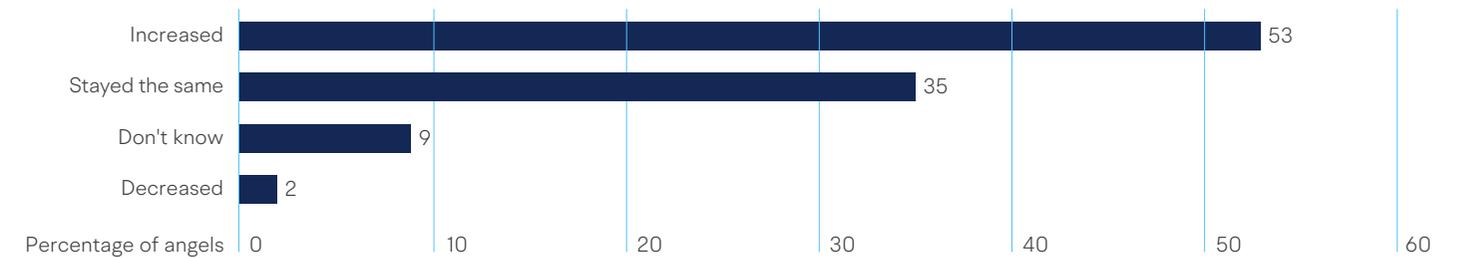
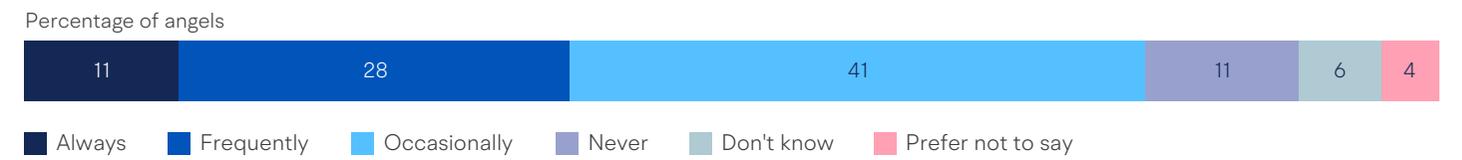


Figure 33

### Frequency of co-investing with women investors in a syndicate or mixed investor group

Source: The UK Business Angel Market survey 2019 (n=139)



Percentages may not total 100 due to rounding



By comparison, the Center for Venture Research at the University of New Hampshire reported that in 2018, female angels represented 29.5% of the USA angel market, a significant increase from 2017 (19.5%) but in line with 2016 (26.2%).<sup>8</sup> The American Angel study finds that females comprised 22% of angels in 2017. The report also noted the number of females entering the angel investment market appears to be growing. Of angels who started investing within the last two years, 30% of these were female.<sup>9</sup>

For Europe, in 2017 The Barriers and Opportunities for Women Angel Investing in Europe survey stated previous surveys had found female angels formed 10% of the Belgium angel population, 23% for Italy, 9% for Spain, 5% for France, and less than 5% for Portugal. However, the Italian estimate has since been revised down to 11.5%.<sup>10</sup> The European Commission commissioned Understanding the Nature and Impact of the business angels in Funding Research and Innovation survey, also in 2017, recorded an 11% average for Europe as a whole. This more or less held throughout all regions surveyed, except for Central and Eastern Europe where a much larger share of business angels were female (29%).<sup>11</sup>

The above statistics suggest that while the UK is ahead of most of Europe with regards the percentage of female angels, it is some way behind the US. However the volatility in the UK, Italian and US numbers shows that, as with estimating the angel market, it is difficult to put a precise and consistent figure on the percentage of angel investors that are female and some differences may be due to the design and reach of the various surveys.

For example, for some syndicates and networks, only a lead angel has responded to the latest survey and has not passed it on to others within their group to avoid duplication of deal data. Lead angels are likely to be some of the more experienced angels in a group and thus older. Our survey suggests that currently this typically means a male.

In an attempt to address this, we asked whether those who invest via syndicates, networks or groups, did so alongside female angels and if so, how many (figures 34 and 35). Whilst 40% said they did, 50% said they don't know, 5% said they preferred not to answer and 6% said no. The mean size recorded for angel syndicates, networks or groups was 107 with 19 of those being female. This would put female angel participation in these groups at 18%, above our survey response rates, though the median results were lower at 10%.

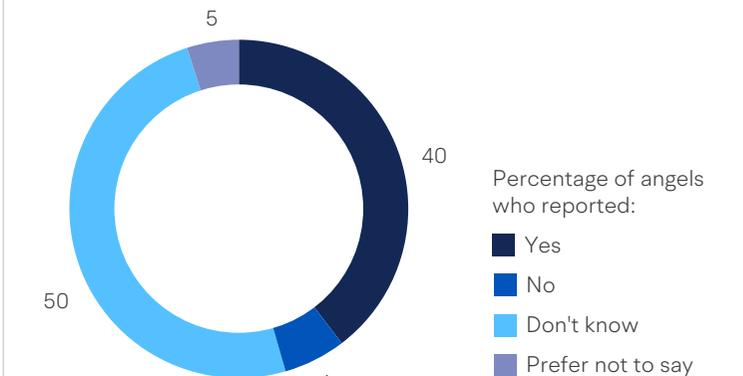
One non survey-based evidence source available to us is a gender breakdown of the EIS and SEIS data produced by HMRC. This data is not typically published and while their research is not yet completed, they have kindly shared their initial findings. The initial analysis used a sample of EIS and SEIS investors using the latest data.

Utilising a sample size of 4,000 out of a total population of 34,000 EIS investors, the results found that 83% were male and 17% female, in line with our upper bound survey result of 18%.<sup>12</sup> For SEIS investors the sample size was 900 out of a population of 8,000 with a split 85% male and 15% female investors, more in line with our survey response split.<sup>13</sup> Our survey found a very similar split of female (88%) and male (86%) of angels utilised one of both of EIS and SEIS during the last tax year so we have no reason to think there would be a gender bias within the HMRC numbers.<sup>14</sup>

Figure 34

**Percentage of angels who have female angels in their syndicate, network or group**

Source: The UK Business Angel Market survey 2019 (n=396)



Percentages may not total 100 due to rounding

Figure 35

**Size of syndicates, networks or groups and number of female angels**

Source: The UK Business Angel Market survey 2019

Number of angels in syndicate/ network/group	Overall (n=246)	Female (n=179)
Mean	107	19
Median	50	5



### 3.2. Ethnicity

#### The number of ethnic minority respondents has increased but they remain underrepresented

Due to this small sample sizes for nearly all ethnicities, this report is restricted to groupings such as ‘Asian’, ‘Black’ and ‘White’ while discussing the ethnicity breakdown of our survey respondents. We recognise the imperfect nature of such high-level categorisations.

As with female respondents, the number of ethnic minority respondents has increased in our latest survey. 10% of all respondents identified as being Mixed, Arab, Asian or Black, compared to 7% in 2017. However, despite a growing number of Black angel investment syndicates, many operating specifically to invest in Black founders, and the presence of a number of Asian investors within existing angel groups and syndicates, Black and Asian investors remain underrepresented in the UK angel market.

According to the 2011 Census 86% of the English and Welsh population over the age of 16 is White. Within our survey population 86% also identified as White. However, the split between White British and Other White was quite different in our survey to the census data with the former underrepresented and the latter significantly overrepresented (figure 36).

As with the gender split, it is possible the fact that only a lead angel has responded to the latest survey and not passed it on to others within their group has impacted our sample while a further potential reason for the lower number of ethnic minority angels could be cultural.

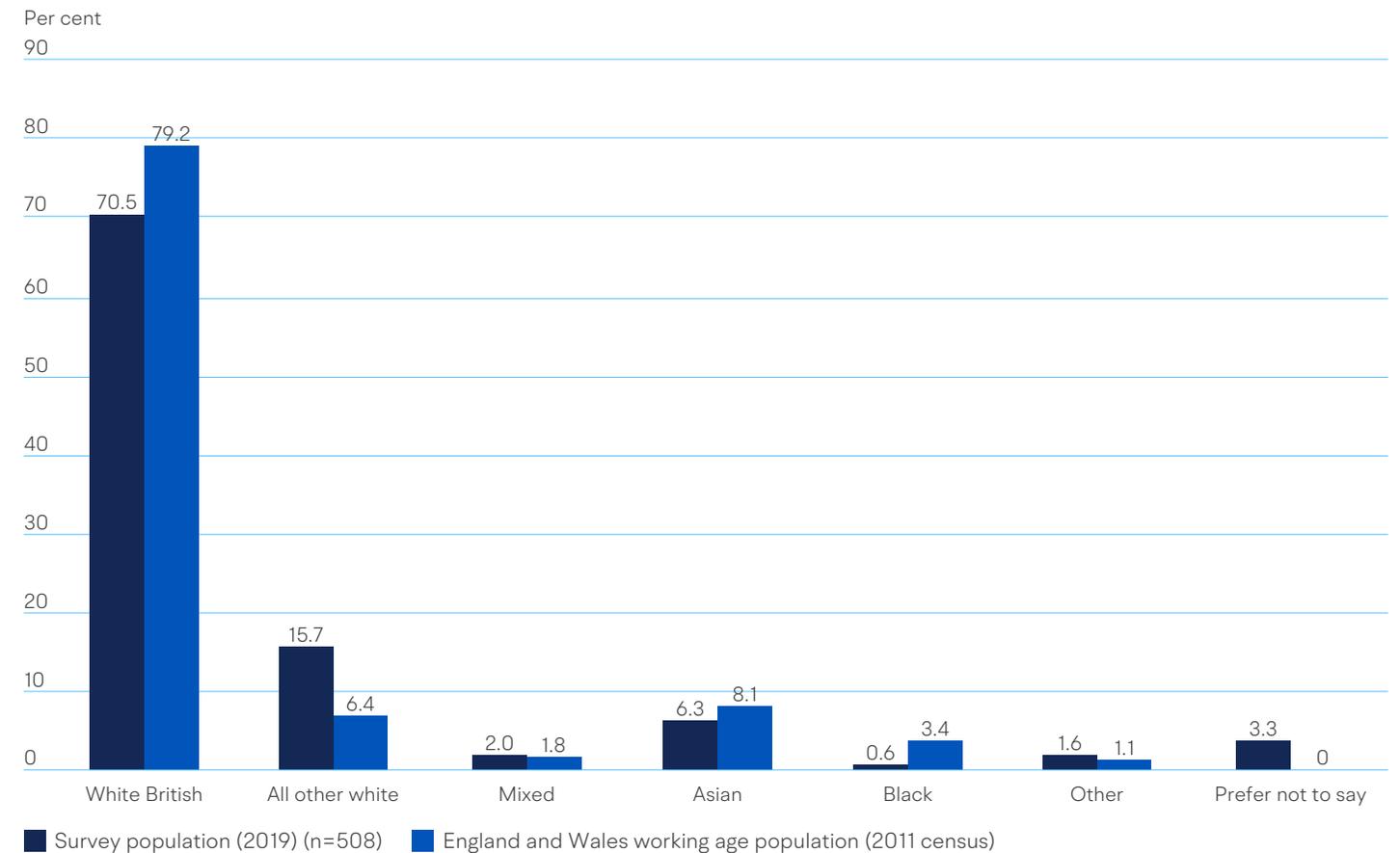
However, the previously mentioned Diversity VC and OneTech survey of 223 venture capitalists suggests that the London VC community also disproportionately comprises of White individuals when compared to the London population. In contrast, Black venture capitalists appear to be significantly underrepresented, alongside Asian venture capitalists. Given many angels start out in venture capital before transitioning to angel investing this could suggest our survey is representative.

By comparison, in the US, estimates of ethnic minorities accounted for between 5.3% and 12.4% of the angel population. The lower bound is well below our survey sample whilst the upper figure is just above. However, given minorities form a greater percentage of the US population (23.5%) this upper bound still suggests the US angel population is less representative. African-American investors encompass only 1.3% of The American Angel sample whereas African-Americans make up 13.3% of the US population.<sup>15</sup> As with the UK, Asian investors are better represented (5.7% of the survey), identical to the US Asian population of 5.7%.

Figure 36

#### Ethnicity of angel survey vs England and Wales working age population

Sources: The UK Business Angel Market survey 2019, ONS 2011 Census





### 3.3. Age

#### The average age of our respondents has increased

The age profile of our respondents has shifted somewhat since the last survey. Just under two thirds (64%) of our respondents were between the ages of 45 and 64 and the average age was 55 for the complete set of respondents. In the 2017 survey, only 54% were between the ages of 45 and 64 while the average age was 52 (figure 37).

In addition, the data showed 14% of angels were between 18-44 and only 4% were in the 18-34 age range. This is significantly below the 2017 survey which reported 25% of respondents were between 18-44 with 9% between 18-34. In turn the 2017 findings were significantly different to The Angel Nation findings in 2014 which recorded 44% of angels as under 44.

There are several probable reasons for the shift in the age demographic relating directly to the contact strategy used for the recent survey. Firstly, our two surveys were done two years apart with The Nation of Angels survey three years prior and many of the same angels will have responded. Secondly, for some syndicates and networks, only a lead angel has responded to the latest survey and has not passed it on to others within their group to avoid duplication of deal data. Lead angels are likely to be some of the more experienced angels in a group and thus older.

Thirdly and possibly the biggest contact strategy reason for the seemingly missing large group of cherubs (angels between the age of 18-34), is that in the 2019 survey we tightened our definition of angel investors and did not include those who exclusively invested as an individual on online investment platforms or crowdfunding sites. This group accounted for a number of younger respondents in our previous survey.

Despite these potential survey challenges, the UK appears to be typical. For Europe, the EBAN report also returned an average angel age of 55. This pattern again holds throughout all regions surveyed, except for Central and Eastern Europe where business angels were on average younger at around 43 years of age. In The American Angel study in 2017 the mean age of all US investors was 57.6 years old. The majority of investors were between the ages of 50 to 66 years old with almost 70% of investors 50 years of age or older.

Figure 37

#### Angel age range

Source: The UK Business Angel Market survey 2019 (n=508)

Per cent



Percentages may not total 100 due to rounding



### 3.4. Experience

#### The majority of angels bring a significant amount of experience to their investments

Angels bring a relatively high level of experience to the companies they support as well as a significant amount of their investable assets. In line with our previous report, 55% of our respondents had been investing as angels for between two and ten years while a further 29% were even more experienced (figure 38). At the newer end of the spectrum, a further 15% had less than two years of experience with 3% having less than six months. Our angels' mean allocation of investable assets was 16%, slightly below the previous survey (19%), while 15% reported allocating 26% or more (figure 39).

The American Angel sample used slightly different experience brackets but despite this the results appear to be somewhat similar. A quarter of the investors were relatively new to angel investing, defined as investing for less than 3 years, while 20% had been investing for 18 or more years.

### 3.5. 2020 Survey

While we endeavored to have the original survey participants respond to our follow on survey we also wanted it to be open to new respondents. This approach resulted in 102 returning participants and 163 who were new to the data set resulting in a population with a few demographic differences (figure 40).

Figure 38

#### Angel experience

Source: The UK Business Angel Market survey 2019 (n=508)

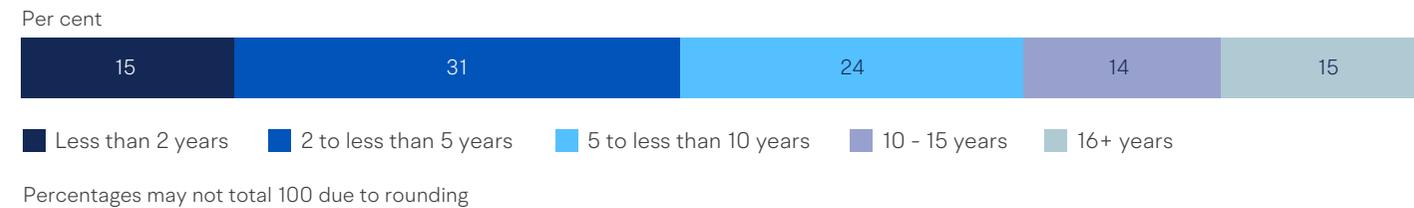


Figure 39

#### Proportion of investable assets allocated to angel investing

Source: The UK Business Angel Market survey 2019 (n=508)

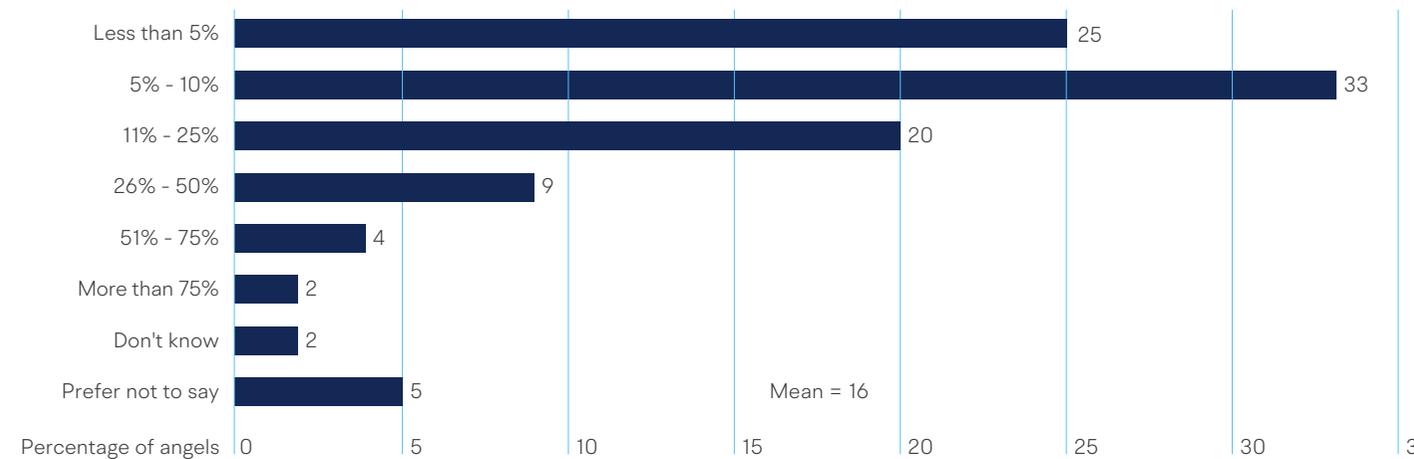


Figure 40

#### Demographic comparisons vs. 2019 survey

### Gender

Significantly higher percentage of male angels vs. 2019

### Age

Slight increase in average age vs. 2019

### Ethnicity

Comparable vs. 2019

### Experience

Average years of experience as a business angel is slightly higher vs. 2019



Chapter 4.

# Geographic spread of angels

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Angels are key to regional and local ecosystems

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The geographic spread of angels is uneven

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## 4. Geographic spread of angels

One important piece of the diversity equation we have not touched on yet is the geographic spread and investing habits of angel investors. This is important because access to finance products and providers is inconsistent across the UK with uneven regional and local distribution.

As highlighted in our The Benefits of Diverse Smaller Business Finance Markets report, for seemingly near-identical companies, where they are based has a significant impact on the type of finance and the finance providers they access.<sup>16</sup> Bank lending broadly matches the business population in most English regions, but other products, such as equity and including VC deals, are often concentrated in London and the South East. Even within debt products regional data can disguise local disparities.

### Angels are key to regional and local ecosystems

As we noted in our Small Business Finance Markets report 2020, equity investors provide funds but also help connect firms with talent, whether at staff or board level, and with potential corporate customers.<sup>17</sup> This linking effect of equity investors is apparent in many of the Bank's equity programmes. For example, the Northern Powerhouse Investment Fund early assessment sets out a case study where a fund manager found a technical expert to act as a Non-Executive Director for their investee firm.<sup>18</sup>

In addition to equity investors linking their portfolio firms to others, links from prospective portfolio firms to investors are important. Around two fifths of pitchdecks that reach VC firms come from a pre-existing relationship, but these warm leads eventually account for over four fifths of investments.<sup>19</sup> One specific inward link that appears important is having a director or engaged advisor with previous experience of raising equity finance. Firms in this position are significantly more likely to obtain equity finance than their peers.<sup>20</sup>

Equity investors, such as angels, plan for eventual exits from their investments through initial public offerings, trade sales and secondary sales. Exits are a key process in entrepreneurial ecosystems as they drive investor returns and provide liquidity to limited partners, freeing up capital for future investments with 77% of our respondents reporting they continue to reinvest some or all of their gains in further angel investments and only 6% do not. Exits also create wealth for company founders, enabling them to found new ventures, invest in other firms or share their expertise and, as such, can create future angels to help the next generation of entrepreneurs in the region.

This process is often called entrepreneurial recycling and will play a role in the substantial variation in the presence of equity investors we see in the UK.<sup>21, 22</sup> For those businesses that receive angel investment, it can be their first formal equity investment given where angels sit in the equity landscape set out earlier. Without an angel investor many will not make it to the next step so for entrepreneurial recycling to happen, angel investors can be the seed from which a local or regional equity ecosystem can grow.

### The geographic spread of angel investors is uneven

The standard line is London is significantly better stocked than the rest of the UK for both VC and angel investors and our survey results corroborate this. London and the South East remain the most prominent home locations with 34% and 22% of angels respectively and thus just over half of all UK angels in our 2019 survey, this is almost exactly the same as our previous survey.

As a comparison, at the opposite end of the scale for England, the North East, North West and East Midlands each recorded 2% of our respondents. Lower still, Wales and Northern Ireland only had 1% each of angels completing our survey and, when Scotland is included, the devolved nations only account for 8% of our angel population.

If you split the data by gender and ethnicity, there is even more of a disparity in the geographic split with 52% of female angels and 58% of ethnic minority angels in our survey based in London. Research has identified that investors often invest in people like themselves and this survey has also identified the importance of female investors for female entrepreneurs' chances of receiving equity finance. As such, this geographic disparity could be having a considerable impact on those businesses outside of London run by female or ethnic minority entrepreneurs and seeking equity finance.<sup>23</sup>

Turning to where angels invest, 55% of our angel population that made an investment in 2018/19 made at least one in London, more than double the South East which came second on the list. 16% made at least one investment in the devolved nations.

In terms of deal numbers, again London is the clear leader accounting for 44% of all deals, four times the number second placed Scotland received. The South East was third in the list with 9% of the deals reported in 2018/19. Five regions or nations received only 1% of the deal flow.

Using the approximated mean value of investments in each location to create a total value of angel investments, in value terms, London's share is even greater in our survey. London received just over 50% of angel investment by this measure. Scotland is again second with 11% but the South East falls away to 5% due to a low mean investment value. Third place on the list goes to investments made overseas with 10%. This is despite receiving only 6% of angel investments in 2018/19 and is driven by a mean investment value nearly double the UK average.

A criticism of our previous survey, and other surveys, is that it failed to reach angels based outside of London and the South East and as such overstated the geographic disparities. For this report we utilised our Regional Angels Programme contacts and the support of the UKBAA to reach more angels in the UK regions and devolved nations.

Finally, to test how representative our sample was, we worked with HMRC to produce a dataset of the home location of investors utilising the EIS and SEIS schemes for comparison.<sup>24</sup>

London hosts the largest share of investors using the EIS and SEIS schemes. 38% of those whose location is known resided in the capital in 2018/19. It is also the most prominent region for EIS and SEIS activity with firms in the capital securing an even higher percentage of investment (49%). Conversely, outside of London most of the remaining locations had larger shares of EIS and SEIS investors than of EIS and SEIS funding in 2018/19.

Comparing our survey results and the EIS and SEIS statistics, it would suggest our sample is relatively representative assuming there is no bias in the usage of EIS and SEIS by region (figure 41). One route to gauge potential bias is via awareness. As with the overall equity market, awareness is likely to be a factor in London's leading share of EIS and SEIS activity. 41% of London SMEs are aware of business angels as a form of finance. This is the highest in the UK with firms in the South East close behind (37%). Despite this, the fact the two datasets largely agree would suggest our survey has reasonably captured the geographic diversity of the UK angel market and in this sense at least is an improvement on our last survey.

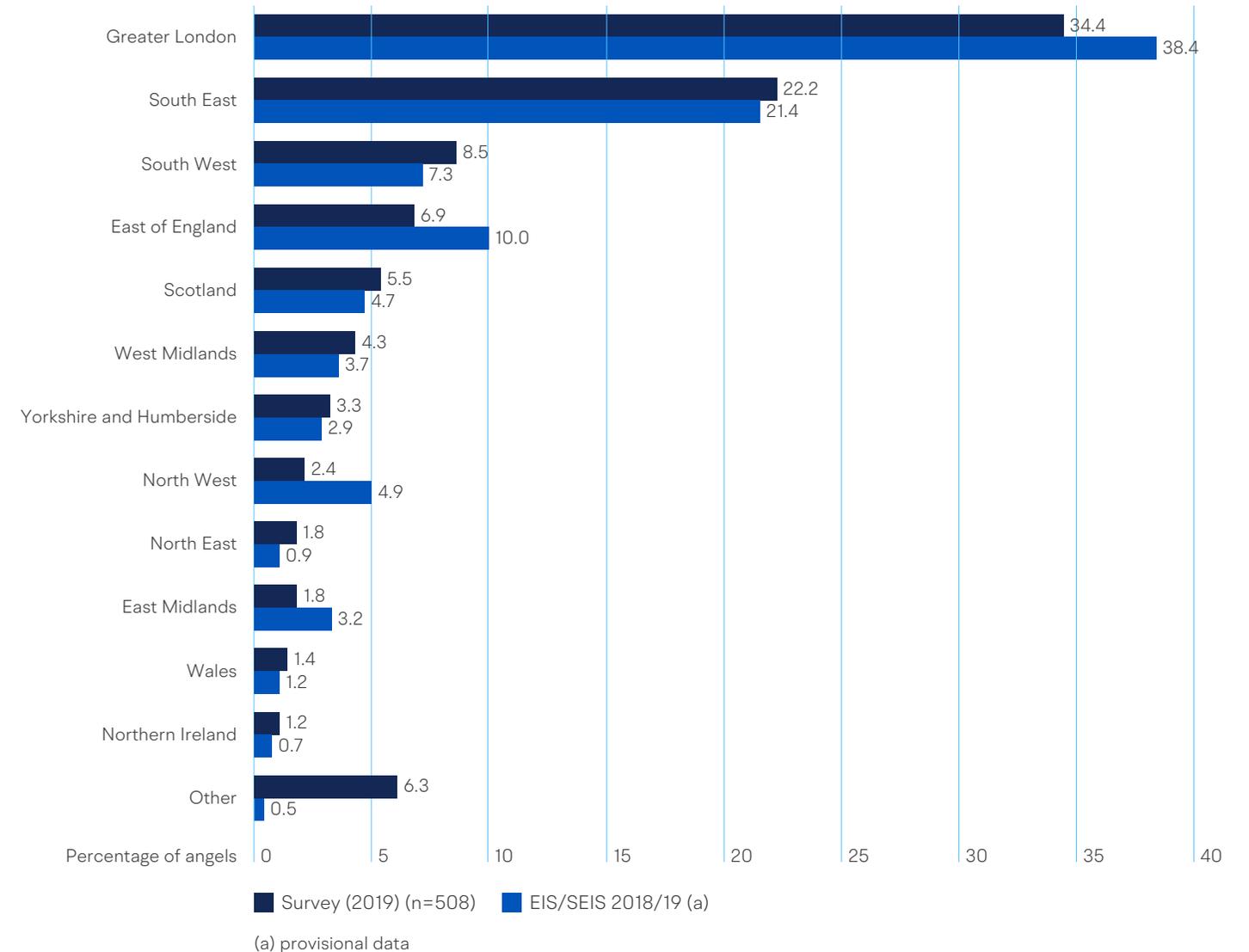
This uneven spread of angels across the UK is why the Regional Angels Programme was established with the aim of helping reduce regional imbalances in access to early stage equity finance for smaller businesses across the UK.<sup>25</sup>



Figure 41

**Investor home location**

Source: The UK Business Angel Market survey 2019 and HMG EIS/SEIS data





Chapter 5.

# The impacts of angel diversity

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Average age and experience varied considerably depending on gender or ethnicity

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Investable assets allocated to angel investing typically increases with experience

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Why angels invested was consistent across nearly all demographics

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# 5. The impacts of angel diversity

From our 2019 angel population we can see the angels who responded to the survey were predominately male and White, with an average age of 55. They have been investing for eight years, invested in four businesses in the last tax year, have invested in 17 businesses in total and typically invest around 16% of their investable assets. However, we can break the survey population down by a range of demographics and this shows variations by group. It should be noted that due to small sample sizes for some demographics these should be considered indicative findings rather than statistically significant.

Due to these small sample sizes for nearly all ethnicities, this report is restricted to groupings such as 'Asian', 'Black' and 'White' while discussing the ethnicity breakdown of our survey respondents. For us to be able to create comparable statistics for this section we have had to further group Mixed, Arab, Asian and Black investors to create an 'ethnic minorities (excluding white minorities)' grouping (53), in line with government guidance and referred to as 'ethnic minorities' for the rest of the chapter.<sup>26</sup> White British and Other White have been combined to create a singular 'White' grouping. We recognise the imperfect nature of such high-level and overarching multi-ethnic groupings.

## 5.1. Age and experience

### Average age and experience varied significantly depending on gender or ethnicity

Firstly, the average age of an angel varied significantly depending on the chosen demographic. The average female was 49 while the average male was 56. The average ethnic minority angel was only 47 years of age but the average White angel was 56.

The difference in experience between the female and male respondents in our survey was stark but unsurprising given the age profiles of the two genders. The average female business angel had been investing for only 4.7 years whereas the average male business angel had been investing for 8.9 years. The majority of our male sample (58%) had been investing for more than 5 years but this fell to 28% for our female respondents.

The gap was slightly narrower between ethnic minority investors (5.6 years) and White investors (8.7 years). This latter point is particularly interesting given ethnic minority investors in our survey were on average younger than female angels suggesting our ethnic minority respondents started angel investing younger and as a result 36% of ethnic minority angels already had more than 5 years of experience.

## 5.2. Impacts on volume and value of investments

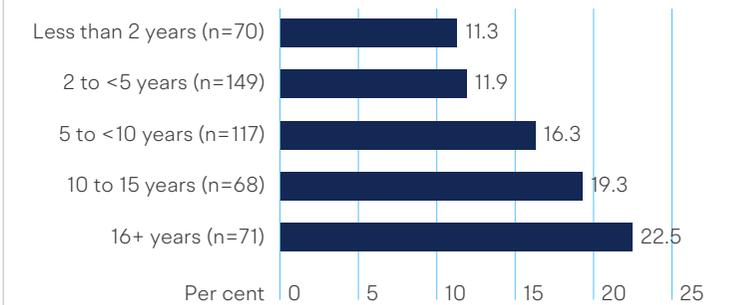
### Investable assets allocated to angel investing typically increases with experience

The experience profile is particularly important because the proportion of investable assets allocated to angel investing typically increases with experience. Less experienced business angels are more likely to allocate a significantly smaller proportion of their investable assets compared to more experienced angels (figure 42). In our survey, 36% of angels with less than five years of experience invested less than 5% of their investable assets compared to 16% of those with over five years of experience. The average allocation for those with less than five years of experience was below 12% whilst for those with more than five years of experience, it was nearly 19%. For those with 16+ years of experience, it was 22%.

Figure 42

### Average proportion of investable assets allocated to angel investing, by experience cohorts

Source: The UK Business Angel Market survey 2019



In line with expectations, given the experience profiles of our female and male angels, males invested more of their investable assets than females in our survey. The average allocation for a male was 16.3% of their investable assets and for a female 11.2%. While the former is in line with the experience profile of our male investors, this female average is the same as the average for angels with less than two years of experience and below the 2-5 years of experience our average female angel reported, suggesting gender could potentially impact the average allocation of investable assets.

The male average of 16.3% of investable assets is in line with the 5-10 years of experience average. However, given the average male had been investing for just under nine years and thus at the top end of the bracket if experience is the key variable, one could have expected a slightly higher average investable asset figure. This suggests other factors may be influencing our sample.

Looking at the average investable assets split by ethnicity something potentially more interesting becomes apparent. Our ethnic minority grouping utilised on average 16.5% of their investable assets for angel investing, above what would be expected given their experience profile. By comparison, the average White angel invested only 15.6% of their investable assets despite having on average over 3 years more experience. Looking at the gender split of ethnic minority and White investors 70% of ethnic minority investors were male compared to 88% of White angels suggesting ethnicity is potentially a bigger driver of asset allocation than gender.

Market contacts have suggested one possible reason for this greater allocation. There is a strong drive among some ethnic minority investors who have themselves succeeded in business to back other ethnic minority entrepreneurs, reflecting a desire to achieve social impact by increasing the level of investment received by ethnic minority founders.

Experience also appears to impact the value of individual investments made by angels but not in a linear way. In our sample the mean initial investment was highest amongst those with 5-10 years of experience whilst for follow-on investments it was highest amongst those with over 16 years of experience (figure 43). These findings could represent more experienced investors choosing to have a more diversified or larger portfolio as those with over 16 years of experience also had the highest average number of initial investments in 2018/19. The increased value of follow-on investments in line with experience may reflect portfolio companies having had longer to develop and as such may need larger follow-on amounts.

Male business angels were more likely to have made a higher number of investments during their time as a business angel. On average male respondents had made 18.5 investments compared to 8.3 for female investors with medians of 10 and 5. 30% of male investors had made between 1-5 investments, while nearly half (49%) of females fell into this category.

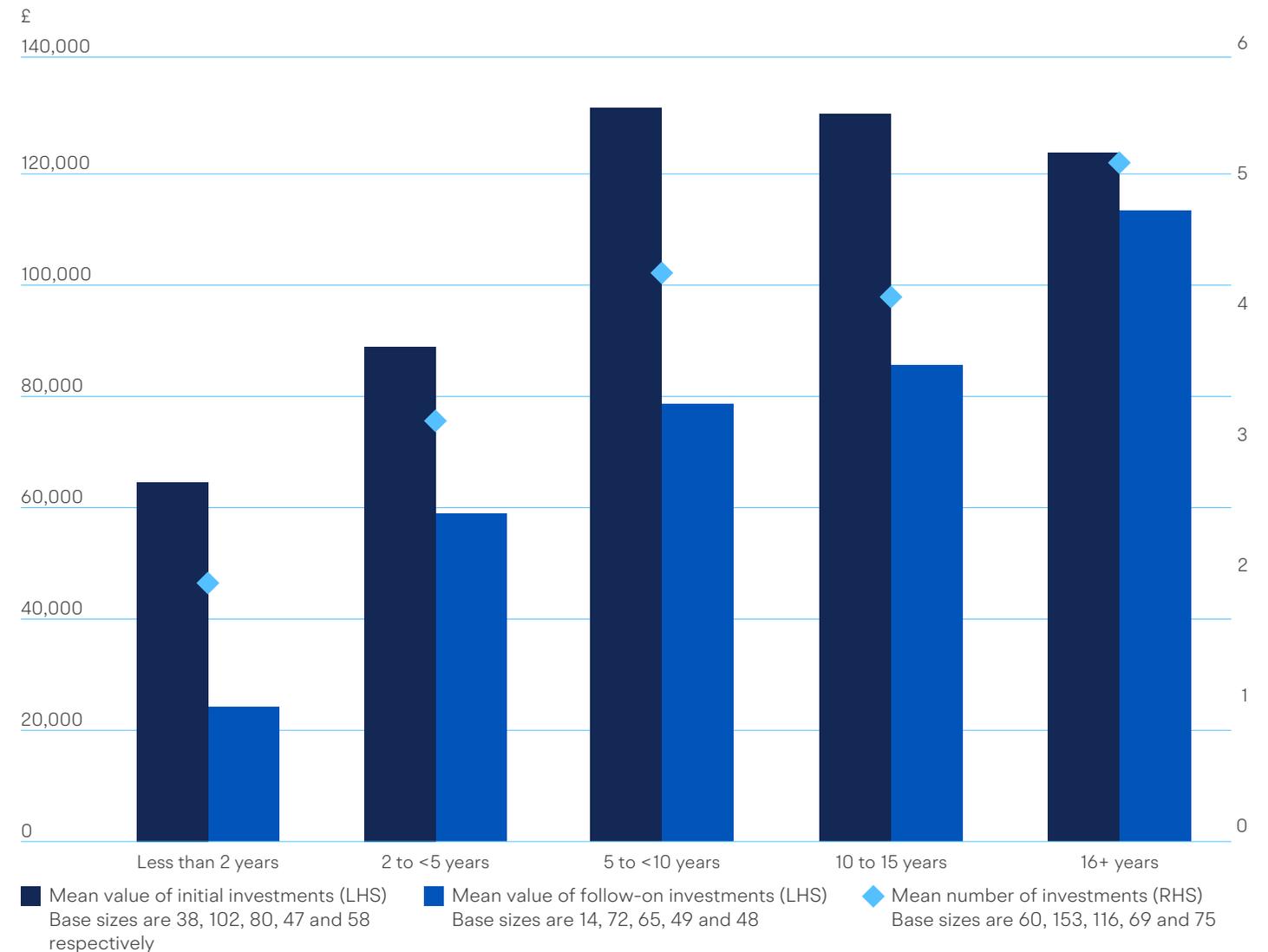
At the opposite end of the spectrum, only 5% (3) of our female angels have made more than 20 investments as an angel, considerably lower than the 22% (88) of male angels who reported this figure.



Figure 43

**Mean value and volume of investments in 2018/19, by experience cohorts**

Source: The UK Business Angel Market survey 2019



There was also a significant gender difference with regards the mean initial and follow-on investment values.<sup>27</sup> Male initial investment values averaged £117k while for female angels it was £50k, less than half. The median values were closer together at £45k and £35k. For follow-on investments, the difference in percentage terms was even greater. Males invested on average £82k, while females averaged £29k, with medians of £25k and £15k, respectively. Even taking into account the relevant experience levels, these are considerable differences.

Any potential impact of ethnicity on the value of investment is even less clear due to a lower sample size again. Even when combined, only 30 ethnic minority investors made investments in the 2018/19 tax year. Whilst the mean initial investment (£95k) was similar to that of White investors (£106k) this was driven by a few very large deals in a small sample (88 investments). The median ethnic minority deal (£30k) was much lower and below the female median. This was despite also making fewer investments than their White counterparts. For follow-on funding the gap was considerable, ethnic minority angels (18) invested on average £27k, just over a third of the value White angels did per deal though the median measures were much closer at £20k for ethnic minority respondents and £25k for White respondents (figures 44 & 45).

### 5.3. Decision making

#### Why angels invested was consistent across nearly all demographics

No matter the demographic, the number one factor when angels were deciding whether to invest into a company remained the quality of the entrepreneurial team and their skills and experience in particular. Across our various demographic groupings between 100% and 95% of our respondents said this was important with most saying it was very important.

Every grouping also placed importance on the potential impact, be it societal, environmental or local, of their investments when seeking opportunities, but there were differences within demographics. The younger an investor the more important this was seen to be. 71% of our admittedly small 18-34s group (21) said it was important while only 50% of our over 55s agreed. There was also a difference between genders, 79% of female angels felt it was important while only 52% of males did.

The most striking but unsurprising difference was around the importance of the gender mix of the entrepreneurial team. 55% of females stated gender was important compared to only 14% of males. This appears to be quite impactful as angel investments are dominated by male founded teams and there is a well-documented correlation between the gender of angels and the gender profile of the founders they invest in. For example, the UKBAA led report on the barriers and opportunities to female angel investing in Europe identified that female investors had between 20-50% of their portfolio investment in female led teams.<sup>28</sup>



Figure 44

#### Mean value and volume of investments in 2018/19, by gender and ethnicity cohorts

Source: The UK Business Angel Market survey 2019

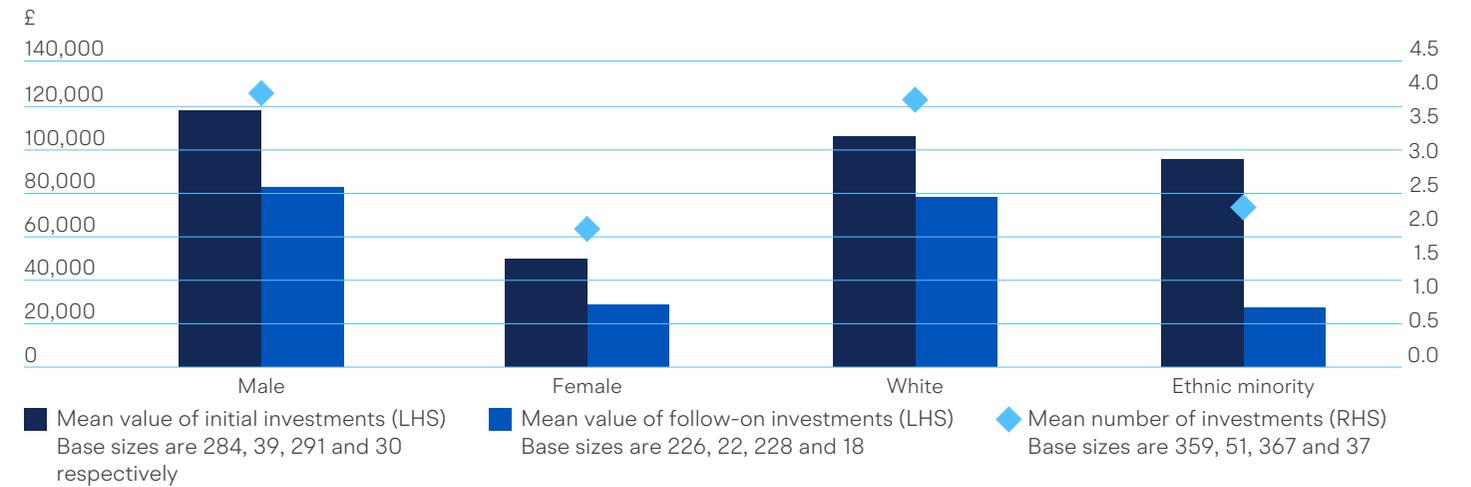
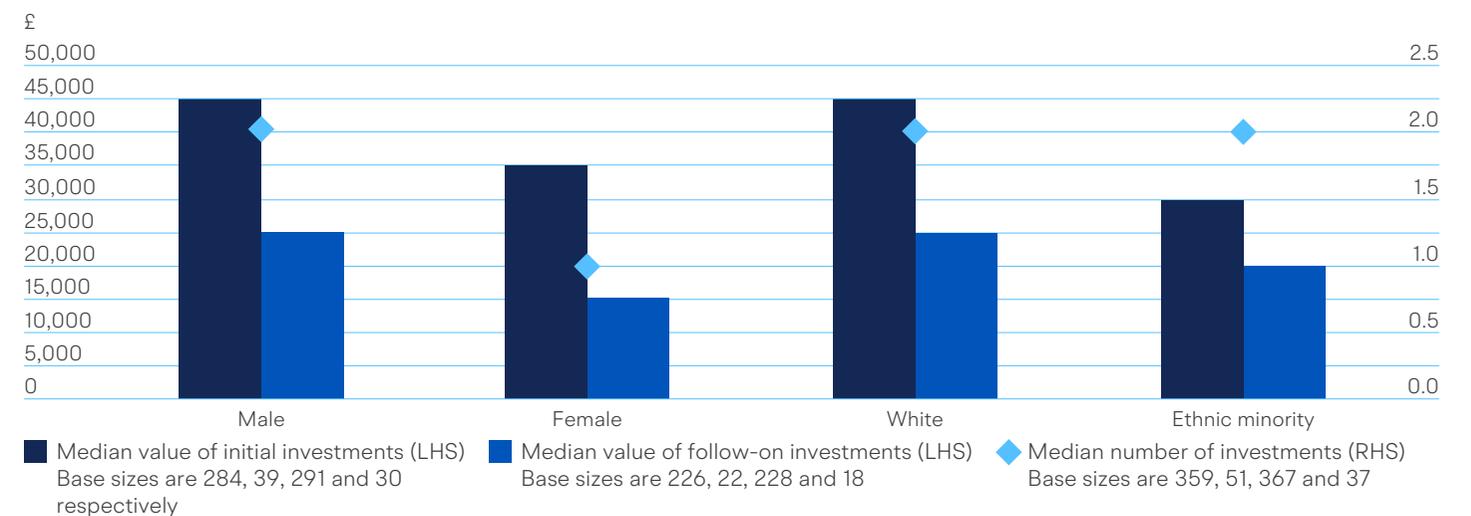


Figure 45

#### Median value and volume of investments in 2018/19, by gender and ethnicity cohorts

Source: The UK Business Angel Market survey 2019





Chapter 6.

# Female angels

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Lack of investable assets and greater risk averseness or lack of confidence were the most common reasons given for the limited number of female angels

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Data shows the number of female-led SMEs is growing in the UK

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Half of respondents reported no specific policies to encourage female angels

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# 6. Female Angels

As noted in both our survey and surveys worldwide, the vast majority of angel investors appear to be male. This is not unique to angel investing but it does have a potentially significant impact on female founded businesses.

## 6.1. Why are there not more female angels?

**Lack of investable assets and greater risk averseness or lack of confidence were the most common reasons given for the limited number of female angels**

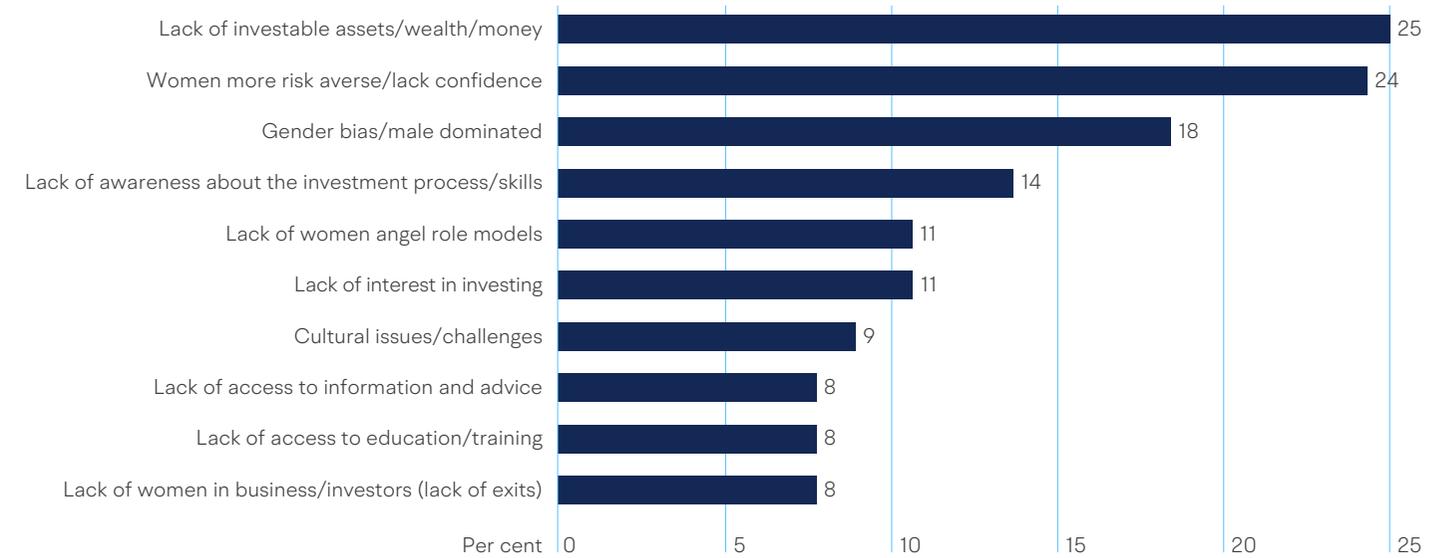
As part of this survey we asked our respondents why they thought there weren't more female angel investors with a wide range of answers given (figure 46). The two most popular responses given by the 168 mostly male angels who answered this question were females have a lack of investable assets (25%) and are more risk averse or lack confidence (24%).

Of the 168 respondents who agreed to complete our follow-on phone survey, only 25 were female. For the whole sample the most common response given was females lack investable assets. Only 9 out of 25 females reported this was a major stumbling block for female angels, but it was the most common response given by males respondents (33 out of 142). The Barriers and Opportunities for Women Angel Investing report also asked females who were not investing what their main concerns were about angel investing and they too noted a lack of available money albeit this only came joint 5th in the list.

Figure 46

### Main reasons why there aren't there more female angels

Source: The UK Business Angel Market survey 2019 (n=168)





This is despite a Centre for Economics and Business Research report from 2005 finding that females owned 48% of the wealth in the UK and predicting that would rise to 60% by 2025.<sup>29</sup> The research also found there were 24% more female millionaires aged 18 to 44 than male - 47,355 compared to 37,935. Whilst these are old numbers it is difficult to believe the trend, which had been on an upward curve for some time, has completely reversed.

The second most popular reason given by our respondents was that females are more risk averse or lack confidence. This was the most popular reason given by female respondents (11 out of 25) and the second most reported answer given by males (29 out of 142). “Its too risky” was also the second most reported response given by females who were not investing in the Barriers and Opportunities for Women Angel Investing report.

Our survey results on investment values showed our female angels typically invested significantly lower amounts than male angels which could be seen to corroborate these two perceptions for the lack of female angels. While it is certainly true the male respondents on average invested more of their investable income it was also true that our female respondents were on average younger and a lot less experienced, a combination that may well explain a significant part of the differing gender investment values.

The third most cited reason was a gender bias in a male dominated industry at 18%. Interestingly gender bias was a more cited reason amongst male respondents (19%) than female respondents (16%) though as previously mentioned, female responses to this question were extremely limited so it is hard to draw a firm conclusion.

Several of the other reasons given for the lack of female angels could be summarised as females having a lack of interest or experience in investing. One of the most significant findings of The Barriers and Opportunities for Women Angel Investing report which could at least partially explain this was that over 90% of the females interviewed, both investors and non-investors, said that their financial advisors provided no information or advice about angel investing or the tax breaks that mitigate risk. Instead their advisors pointed them toward property, stocks and shares as low risk options.

Furthermore, in the UK, angels have traditionally come from previous roles in finance and often venture capital or private equity. A recent report by Diversity VC and OneTech found that only 13% of senior staff, either partners of equivalent, were female in London VC firms.<sup>30</sup> This is the same percentage as recorded for females in senior roles in UK VC firms in our UK VC & Female Founders report and the same as our angel survey population.

A lack of female role models and a lack of females in business were the other reasons given in our survey. In the US, where one estimate suggests 55% of American angels were previously founders or CEOs of their own start-up, the rise in female angels has been mirrored by a rise in the number of female entrepreneurs receiving funding.<sup>31</sup> Unfortunately, the UK VC & Female Founder report found that only 4% of VC deals in the UK went to all female founding teams and only 1p in the £1. A further 12% of deals went to mixed teams but that still means 86% go to all male teams.

## 6.2. Are there any encouraging signs?

### Data shows the number of female-led SMEs is growing in the UK

While we have seen a limited number of female founding teams receiving equity in the UK, an increase in the number of female founders in general could potentially have a positive impact on the number of future female angels as seen in the US. The BEIS Small Business Survey reported the percentage of SMEs led by females in 2019 at 17%, up from 14% when the survey started in 2006/07. The SME Finance Monitor also points to an increase in the number of SMEs led by females. 23% of all SMEs were recorded as being female led in the Q2 2020 release, an increase from 17.8% in Q1 2014 when the statistic was first reported.

This latest data point varied by age of the business with a larger percentage of start-ups led by females compared to businesses over 15 years old suggesting the potential for a further increase in the overall number.

Finally, GEM data, which looks at the total early-stage entrepreneurial activity rates (TEA rates), goes further back along the potential supply line. Here, there is a slightly different and more encouraging story emerging. The percentage of female 18-64 year-olds involved in the early stages of starting up a business has grown from 3.2% in 2002 to 5.2% in 2018, having peaked at 7.1% in 2012. For males, the corresponding numbers were 7.6% in 2002 and 10.5% in 2018, suggesting that, in the latest year, around one third of people involved in the early stages of new businesses were female, well above the 13% response rate we have for female angels. However, as noted in the Rose Review, this figure still means the UK lags many peer countries on entrepreneurship gender parity.<sup>32</sup>



### 6.3. What is the industry doing to improve gender diversity?

#### Half of respondents reported no specific policies to encourage female angels

There was a degree of openness in supporting the growth of both female investors and founders amongst our respondents, with some angels already taking specific action to encourage more diversity in the market. However, 50% of respondents were not aware of their syndicate or network having policies in place (figure 47). Amongst those who knew of targeted action, the most common was proactive marketing and communications aimed at sources of potential female investors.

The most frequent suggestion to further increase the number of female investors was to increase access to information, education and awareness of the angel investment sector (figure 48). Other suggestions focused on more role models and case studies on female angel investing and more female focused events, workshops and working groups.

Despite our mixed results, market contacts reported many angel group leaders are making significant efforts and developing good practice to further encourage female investors while industry bodies have started initiatives such as the UKBAA National Women Angel Investment campaign which seeks to better support both female angels and founders.

Figure 47

#### Actions syndicates or networks are taking to attract more women investors

Source: The UK Business Angel Market survey 2019 (n=139)

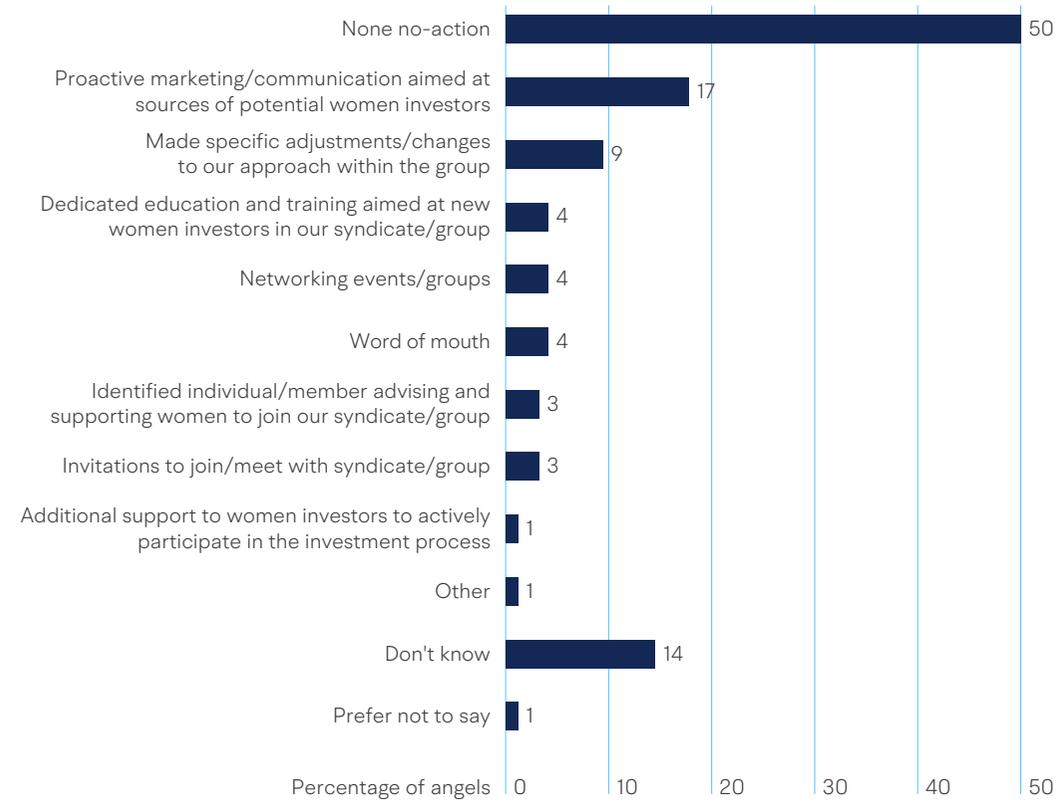
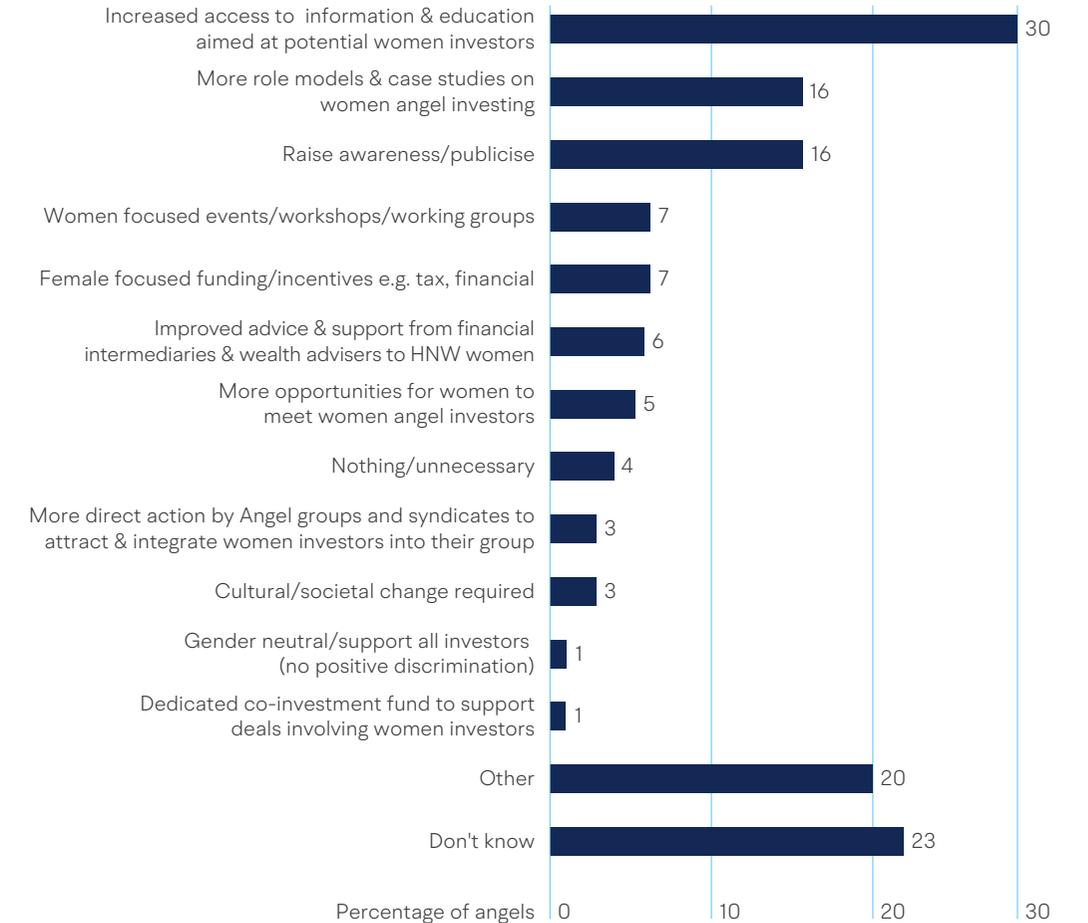


Figure 48

#### Actions respondents felt could increase the number of women investors in the UK

Source: The UK Business Angel Market survey 2019 (n=168)





# Endnotes

<sup>1</sup> <https://www.british-business-bank.co.uk/wp-content/uploads/2020/06/British-Business-Bank-Small-Business-Equity-Tracker-2020-Report.pdf>

<sup>2</sup> <https://www.british-business-bank.co.uk/wp-content/uploads/2018/02/Small-Business-Finance-Markets-2018-Report-web.pdf>

<sup>3</sup> Financing High-Growth Firms: The Role of Angel Investors

<sup>4</sup> Exchange rate at 31st December 2018

<sup>5</sup> <https://eisa.org.uk/about-eis/facts-and-figures/>

<sup>6</sup> <https://www.angelcapitalassociation.org/data/Documents/TAAReport11-30-17.pdf?rev=DB68>

<sup>7</sup> <https://www.british-business-bank.co.uk/wp-content/uploads/2018/06/Business-Angel-Reportweb.pdf>

<sup>8</sup> <https://paulcollege.unh.edu/sites/default/files/resource/files/2018-analysis-report.pdf>

<sup>9</sup> <https://www.angelcapitalassociation.org/data/Documents/TAAReport11-30-17.pdf?rev=DB68>

<sup>10</sup> [https://www.askanews.it/cronaca/2018/10/18/business-angels-donne-italia-al-primi-posto-in-europa-pn\\_20181018\\_00214/](https://www.askanews.it/cronaca/2018/10/18/business-angels-donne-italia-al-primi-posto-in-europa-pn_20181018_00214/)

<sup>11</sup> There were 48 respondents in Central and Eastern Europe compared to a total survey total of 592.

<sup>12</sup> At a 95% confidence interval we'd expect a margin of error of 1-2%.

<sup>13</sup> At a 95% confidence interval we'd expect a margin of error of around 3%.

<sup>14</sup> The female sample from our survey was relatively small at 40.

<sup>15</sup> <https://www.angelcapitalassociation.org/data/Documents/TAAReport11-30-17.pdf?rev=DB68>

<sup>16</sup> <https://www.british-business-bank.co.uk/wp-content/uploads/2017/10/291-Diversity-Report-2017-Final.pdf>

<sup>17</sup> <https://www.british-business-bank.co.uk/wp-content/uploads/2020/02/Small-Business-Finance-Markets-2019-20-report-FINAL.pdf>

<sup>18</sup> SQW (2019) Northern Powerhouse Investment Fund – Early Assessment Report: [https://www.british-business-bank.co.uk/wp-content/uploads/2019/07/NPIF-early-assessment-report-FINAL\\_24-July-2019.pdf](https://www.british-business-bank.co.uk/wp-content/uploads/2019/07/NPIF-early-assessment-report-FINAL_24-July-2019.pdf) Fund Managers involved in the Regional Funds also provide similar support to companies receiving debt finance

<sup>19</sup> British Business Bank (2019) UK VC and Female Founders: <https://www.british-business-bank.co.uk/wp-content/uploads/2019/02/British-Business-Bank-UK-Venture-Capital-and-Female-Founders-Report.pdf>

<sup>20</sup> Wilson, N., Kacer, M. and Wright, M. (2019) Equity Finance and the UK Regions: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/821902/sme-equity-finance-regions-research-2019-012.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/821902/sme-equity-finance-regions-research-2019-012.pdf)

<sup>21</sup> Mason, C. and Harrison, T. (2006) After the exit: Acquisitions, entrepreneurial recycling and regional economic development: <https://www.tandfonline.com/doi/abs/10.1080/00343400500450059>

<sup>22</sup> Based on global data, Pitchbook estimate that at least 5.7% of entrepreneurs that achieved an exit between 2006 and 2016 became angel investors and roughly 1.2% founded VC firms. Pitchbook (2019) Serial Entrepreneurs: Does Lightning Strike Twice? <https://pitchbook.com/news/reports/4q-2019-pitchbook-analyst-note-serial-entrepreneurs-does-lightning-strike-twice>

<sup>23</sup> “Belonging to the same racial group increases the propensity to work together by 39.2%” - <https://hbr.org/2018/07/the-other-diversity-dividend>

<sup>24</sup> Investee locations are based on registered addresses which may not be the address where business is carried out. Investors making use of both EIS and SEIS scheme will be double counted in totals.

<sup>25</sup> <https://www.bbinv.co.uk/regional-angels-programme/>

<sup>26</sup> <https://www.ethnicity-facts-figures.service.gov.uk/style-guide/writing-about-ethnicity>

<sup>27</sup> There were 284 male angels but only 39 female angels who made investments in 2018/19.

<sup>28</sup> The Barriers and Opportunities for Women Angel Investing in Europe

<sup>29</sup> [http://news.bbc.co.uk/2/hi/uk\\_news/4471763.stm](http://news.bbc.co.uk/2/hi/uk_news/4471763.stm)

<sup>30</sup> [http://www.diversity.vc/wp-content/uploads/2019/09/DI\\_Report\\_2019\\_Web\\_Version.pdf](http://www.diversity.vc/wp-content/uploads/2019/09/DI_Report_2019_Web_Version.pdf)

<sup>31</sup> <https://www.angelcapitalassociation.org/data/Documents/TAAReport11-30-17.pdf?rev=DB68>

<sup>32</sup> The Alison Rose Review of Female Entrepreneurship



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### **British Business Bank plc**

Steel City House  
West Street  
Sheffield S1 2GQ

t. 0114 206 2131  
e. [info@british-business-bank.co.uk](mailto:info@british-business-bank.co.uk)

**[british-business-bank.co.uk](http://british-business-bank.co.uk)**

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