

INVESTING IN WOMEN CODE

Annual report 2024



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INVESTING IN WOMEN CODE

The Investing in Women Code is a commitment to support the advancement of women entrepreneurs in the UK by improving their access to the tools, resources and finance they need to achieve their goals.

As the first recommendation of the Rose Review, the Investing in Women Code (referred to as the 'Code') was launched in 2019. Its goal is to develop a better picture of funding for female entrepreneurs across the financial services, while encouraging signatories to adopt and share best practices to support women-led businesses.

Since then, the Code is proud to work in partnership with:

- the Invest in Women Taskforce¹ to drive impact and systematic change for women entrepreneurs in its mission to make the UK the best place in the world for female founders
- the Invest in Women Hub² to improve access to finance for female founders as they start, scale and grow their businesses

The Department for Business and Trade (DBT), together with the Code Partners, welcome feedback on this report and the future evolution of the Code, which can be sent to investinginwomencode@beis.gov.uk

¹ <https://www.investinwomentaskforce.org/>

² <https://iiwhub.com/>

Foreword by Gareth Thomas MP

Welcome to the fourth annual report of the Investing in Women Code, which includes data collected by finance providers during 2023.

It is encouraging to see the year-on-year progress made by this initiative, with 58 new signatories during the year and a grand total of 250 at the end of March. New signatories are listed at the back of this report and include Big Society Capital, Palatine Private Equity, Praetura Group, Royal College of Art, and Form Ventures.

I am impressed by the excellent public-private collaboration the Code represents. The Code and its success would not be possible without its Code Partners, and I would like to thank them for the leadership they provide in data collection, sharing good practice, and encouraging their members to become signatories.

The mission-led approach of the Code since it was established in 2019 has inspired initiatives in other countries, such as the We-Finance Code which features as a case study in this report. Over the next year, our mission will take a more targeted approach as we recruit organisations who have a great deal of influence over the finance ecosystem: Limited Partners (LPs).

I am pleased to announce that the British Private Equity and Venture Capital Association (BVCA) will be the lead Code Partner for LPs, and thank Michael Moore (Chief Executive, BVCA) for his support. The Code will also be expanding to improve its reporting for CDFIs, and I would like to thank Responsible Finance for taking on this role as a new Code Partner. We have two new introductory chapters for these groups, with data collection beginning in Autumn 2024. Together we will channel our efforts to amplify this mission, engage CDFIs and LPs, and accelerate progress for female founders.

I am proud to see that our Code signatories continue to outperform the market. Furthermore, signatories who consistently report year-on-year perform better than those who do not.

The data shows that active engagement from signatories with the Code, as a living and breathing initiative, leads to better results for women-led businesses. We will double down over the next year on our efforts to increase engagement with signatories to drive commitment, secure better outcomes, and break down barriers for women entrepreneurs seeking finance.

Earlier this year, the Invest in Women Taskforce declared its ambition to make the UK the best place in the world to be a female founder. The Code and its partners will work with the Taskforce to create the change female founders deserve to see and I look forward to seeing further progress in the year ahead.

Gareth Thomas MP

Minister for Small Business and Exports,
Department for Business and Trade



Foreword by the Investing in Women Code Partners

The Investing in Women Code brings together providers from across the financing spectrum. It is a unique initiative whose membership has significantly strengthened since its launch in 2019.

We are pleased to announce in 2024 that the Code will be expanding to formally include LPs and CDFIs – many of which are longstanding signatories, but will now have their own section. To lead on the data collection, we welcome the BVCA, one of our founding Code Partners, and Responsible Finance, who have encouraged members to become signatories since the Code's launch.

Our Code Partners, The British Business Bank, UK Business Angels Association, UK Finance, Responsible Finance and the BVCA are proud to lead on this agenda. We are united in our goal in establishing equal access to finance for women entrepreneurs which we share with the DBT, the new Invest in Women Taskforce, and the Ecosystem Working Group – which has a specific remit to drive and develop the Code.

Now at 250 signatories, Code signatories represent over £1 trillion in assets under management. Code signatories now account for 47% of Venture Capital (VC) deals and 40% of UK Business Angels Association angel investment groups. To drive this number higher, expanding to include LPs is a natural next step due to their substantial influence over fund managers and the broader ecosystem.

Our next ambition is to build a sense of community across our signatories, both in type and as a collective. We seek to increase engagement with our signatories to support those who are still at the beginning of their journey, and to recognise those who already lead the way. Alongside our annual report launch event, we will host webinars and regular communications to examine the report's findings, and share peer-to-peer learning on good practice.

The Investing in Women Code is a proud supporter of the Invest in Women Hub, an online resource for women entrepreneurs seeking finance. We encourage Code signatories to engage with the hub and to signpost it to female founders through your vast networks.

We recognise the need to do more, as we seek to mobilise further signatories to the Code in the coming year. This will not only increase our access to more data, but will strengthen good practice in gender-focused investing. We will continue our unified drive for change for female founders in our mission to close the gender investment gap across the UK.

Louis Taylor, Chief Executive Officer, British Business Bank

Jenny Tooth, Executive Chair, UK Business Angels Association

David Raw, Managing Director, Commercial Finance, UK Finance

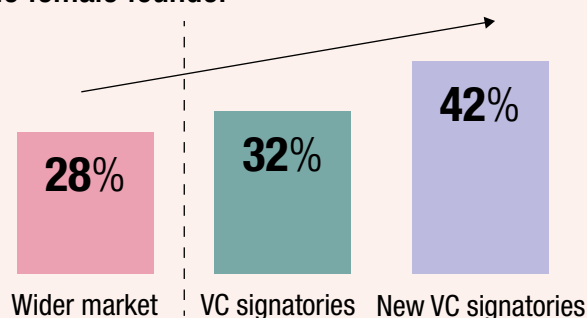
Theodora Hadjimichael, Chief Executive Responsible Finance

Michael Moore, Chief Executive, British Private Equity and Venture Capital Association

Summary of Key Findings

Signatories to the Code commit to collecting data and adopting internal practices that aim to improve women entrepreneurs' access to finance. The 2023 data for the fourth year in a row showed a consistent link between key indicators, such as the importance of a diverse investment committee, warm introductions and women investing in women. The below summarises some of the key findings.

VC signatories outperform the equity market year-on-year in supporting teams with at least one female founder

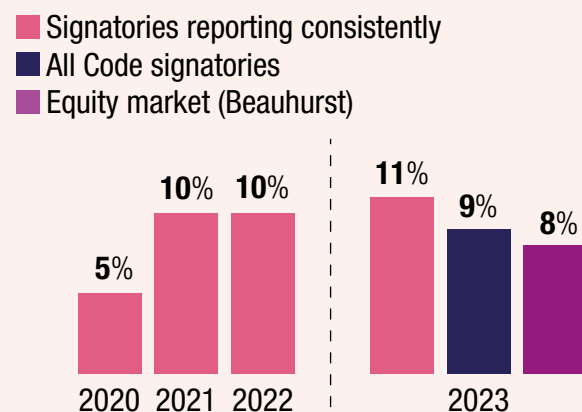


New 2023 signatories outperform existing VC signatories at

42% equity deals

to teams with at least one female founder

VC signatories who consistently report data outperformed the wider market in supporting all female founder teams



Deals to all female teams from VC signatories who consistently report has increased every year

Applications approved for businesses seeking debt finance

60% women-led
59% male-led

Warm introductions are the most successful for securing Angel funding

All-female teams



Cold approach



Warm approach

66% of proposals

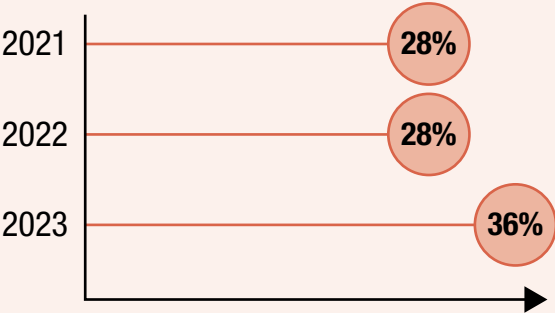
for all female teams are through cold approaches

The amount of angel finance requested by all female teams in 2023 was the biggest ever



£1.127million

Mixed gender teams had increasing success

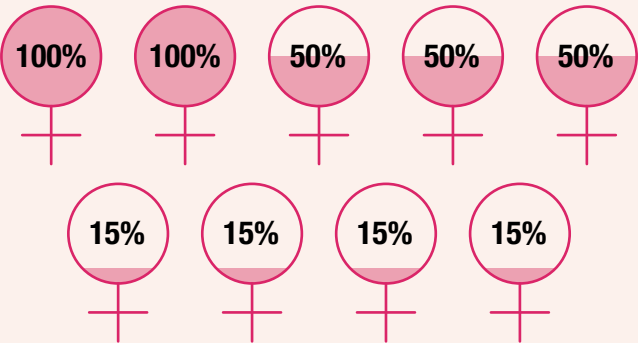


36% of Angel investment deals

were to mixed gender teams

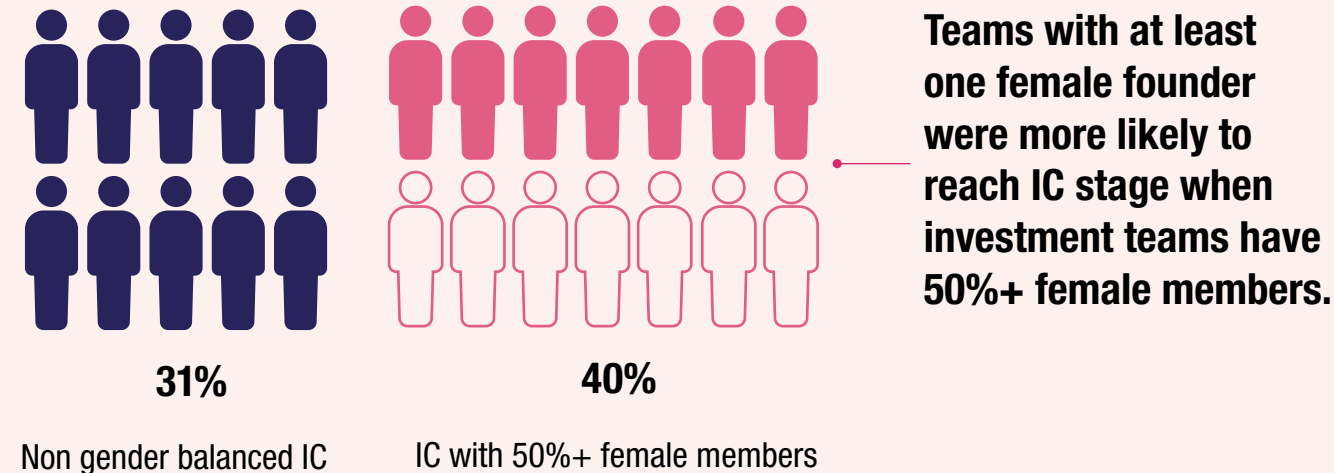
There is an increasing number of female Angel investors in the UK

New angel groups and % of women investors in each

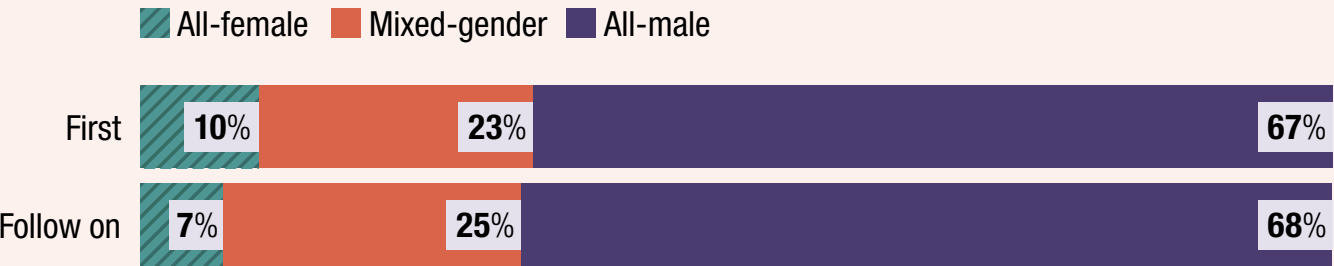


Diversity within signatories' investment committees improves outcomes for teams with at least one female founder

Equity deals going to teams with at least 1 female founder

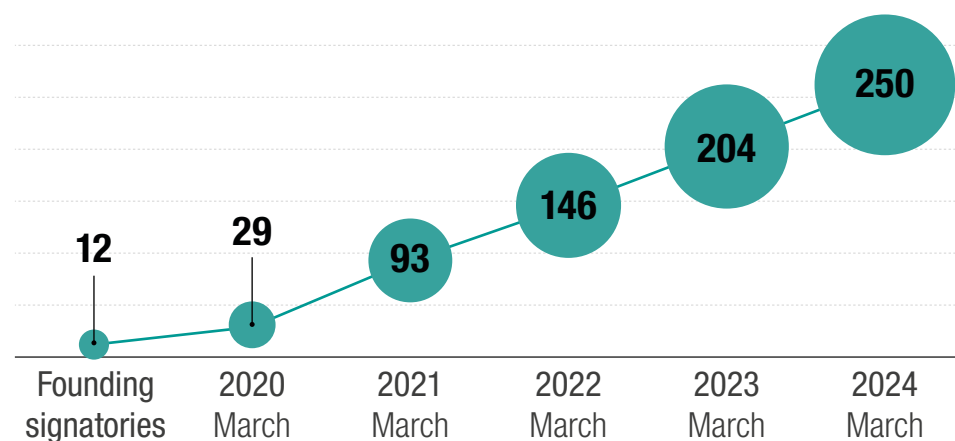


All-female teams continue to receive a lower share of VC follow-on funding



Code signatories and data collection

Membership of the Investing in Women Code increased by 46 in the year to March 2024

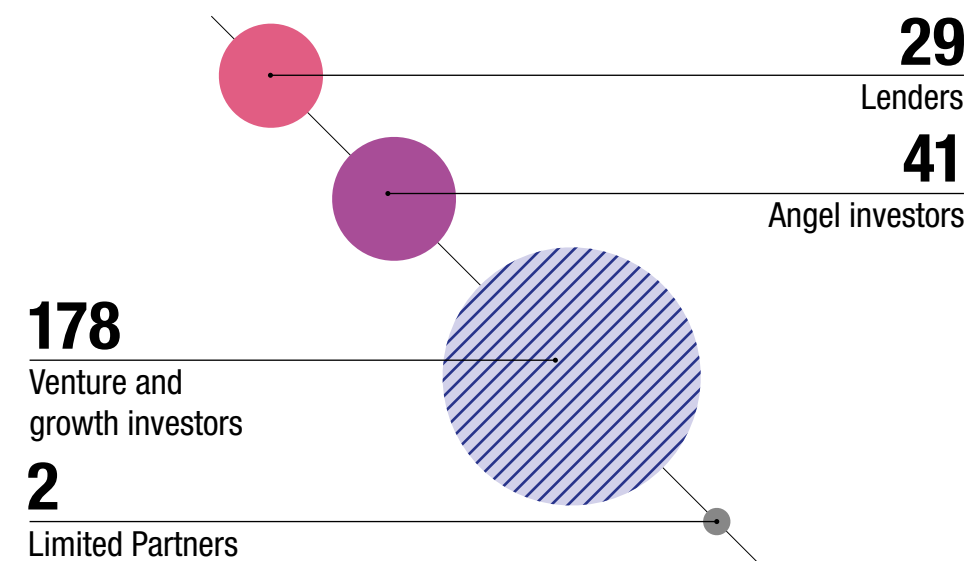


Of which:

- 37 were venture and growth capital firms
- 16 were Angel groups
- four were banks and non-bank lenders
- one was an LP

These new signatories are listed at the back of the report. One firm resigned as they no longer undertook investment.

Our signatories



Of the total number of signatories:

- 178 are VC funds
- 41 are Angel groups
- 29 are banks and non-bank lenders
- two are LPs



Case study: Code signatories volunteered data for ethnic minority-led businesses

In November 2023, DBT published the 'Investing in Ethnic Minority Entrepreneurs' report using voluntary data from Code signatories.

Code Partners, British Business Bank and UKBAA, successfully completed a pilot study with signatories. We are grateful to the signatories who took part, with the pilot showing a willingness of the industry to engage and provide ethnicity data on a voluntary basis.

The aim of the report is to help to begin addressing the gap in comprehensive data on ethnic minority-led businesses. Using voluntary data from Code signatories, the report provides a baseline to measure progress and spark industry dialogue to promote increased representation and financing for ethnic minority entrepreneurs in the UK.

DBT organised a roundtable to discuss the findings of the report, which was hosted by the All-Party Parliamentary Group (APPG) for Ethnic Minority Business Owners, in partnership with UKBAA and the British Business Bank. The group discussed the findings of the report and considered what further steps could be taken to improve data collection on ethnicity.

You can read the published report on the British Business Bank's website.³



3 <https://www.british-business-bank.co.uk/sites/g/files/sovrnj166/files/2024-02/report-investing-in-ethnic-minority-entrepreneurs.pdf>



Case study: Inspiring global change, the launch of the WE Finance Code

The Women Entrepreneurs Finance Code

The Women Entrepreneurs Finance Code (known as the WE Finance Code), is a global systems change initiative launched by the Women Entrepreneurs Finance Initiative.⁴ Inspired by the UK's Investing in Women Code, it seeks to address the data gaps that prevent women-led business from accessing finance internationally.

The WE Finance Code launched in October 2023 and is being rolled out in 24+ countries to expand the amount of financing available to women-led small and medium-sized businesses (SMEs). Each pilot country will launch a code with public and private sector anchors who make specific commitments to close finance and data gaps for women entrepreneurs.

The Women Entrepreneurs Finance Initiative, housed in the World Bank, co-ordinates the We Finance Code with its implementing partners and other global partners, such as the Financial Alliance for Women and OECD. A Global Advisory Group advises on implementation and governance.

There are local and global channels for participating in the code. Any country can formulate a National Code Coalition and implement the Women Entrepreneurs Finance Code. With over 24 countries signed up, pilots are being launched in the Balkans, MENA, Central Asia, Asia Pacific, Latin America and the Caribbean, and Africa. Global progress reports will begin in 2025.



4 <https://www.we-fi.org/we-finance-code/>

Next steps

The results from 2024 reveal women are showing resilience and strong ambition to seek investment to grow and scale their businesses despite significant economic turbulence. The data proves they are stable, business-ready, and increasing in confidence. There are still many barriers to be tackled, but we are optimistic our actions to expand the Code, as well as the following priorities, are steps in the right direction.

DBT and the Investing in Women Code Partners have agreed three priorities to make a difference in the years ahead:



Recruitment of LPs to become Code signatories: As the ultimate providers of capital for equity funds, LPs have substantial influence over fund managers. By investing in firms that prioritise diversity and inclusion, LPs can encourage and promote change, leading to improved gender balance in the industry. We currently have two LPs signed up to the Code – British Patient Capital and Better Society Capital (formerly Big Society Capital). We are expanding the Code to improve data reporting for new LPs, and will actively drive LP sign-ups to increase our impact across the ecosystem.



Build a sense of community for Code signatories: By signing up to the Code, signatories naturally become part of a community taking joint action to do better for female founders. We believe increasing engagement will drive a sense of community which will in turn lead to better results, improved participation in data reporting, and greater awareness of good practice. Signatories who lead the way deserve to be recognised for their excellence, and signatories who need further support will be guided by the community. We will bring Code signatories together to amplify our collective impact through events, webinars, and discussion groups.



Drive good practice of Code signatories: As one of the key commitments of the Code, adopting internal practices can improve the outlook for female founders. From this year onwards, we will report and spotlight good practice among signatories, as well as evaluating which initiatives have the greatest impact. We will encourage use of the Invest in Women Hub, an online resource for women entrepreneurs seeking investment, and highlight research such as ‘Finding What Works’ (British Business Bank, 2023). Signatories will have access to straightforward and actionable recommendations that they can confidently implement for the benefit of female founders.

As you will have read in our foreword, we are proud to welcome BVCA and Responsible Finance as our lead Code Partners for data collection for LPs and CDFIs. To spotlight the opportunities through inclusion of both groups, we have included two introductory chapters from each Code Partner. Formal data collection and reporting will be in our 2025 publication.

Expanding the Code: Limited Partners



LPs hold a crucial position within the investment landscape as they provide essential capital to venture capital or private equity funds. Consequently, they wield significant influence over fund managers and the broader ecosystem. Given their pivotal role, extending the Investing in Women Code to encompass LPs is deemed imperative in today's context.

What do we mean by a Limited Partner?

An LP is an investor who contributes capital to a private capital fund. LPs are typically institutional investors, such as pension funds, endowments, insurance companies, family offices and high-net-worth individuals.

Gender disparity within the investor community remains a pressing concern. The BVCA's recent research in this area highlights a stark reality: only 21% of senior private capital investors are women, and a significant 10% of firms reported all-male investment teams. These statistics underscore the urgency of addressing gender diversity within the industry.

Presently, two LPs have signed up to the Investing in Women Code. These are forward-thinking institutions with diversity at the core of their mission, as shown in the case study from Big Society Capital (now Better Society Capital). However, given the pivotal role that LPs can play in developing gender diversity within the investment ecosystem, the UK government is keen to expand the number of LP signatories.

Recognising that the existing data collection requirements set out as part of the Code are not necessarily fully applicable to LPs, the BVCA has engaged with industry representatives to create a set of data requests tailored to LPs, ensuring relevance and achievability, bearing in mind that the overall objective of the Code is to encourage more investment into women-led businesses. The LP data collection requirements are available on BVCA's website.

The BVCA is a founding Code Partner and has agreed to take on the data collection in respect of LPs, starting from the next cycle. All data provided to the BVCA will be treated in confidence and no individual firm data will be released.

Expanding the Code to encompass LPs shows a significant advancement in promoting gender diversity within the investment community. DBT and all Code Partners encourage LPs to sign up to the Code, which will enable us to strive towards building a more inclusive and equitable industry. For more information, please contact investinginwomencode@beis.gov.uk



Case study: Bridging the Gap

Better Society Capital commitment to female entrepreneurship through the Investing in Women Code

In response to significant gender disparities in access to finance and resources within the entrepreneurial landscape, the UK government introduced the Code. The Code expands to LPs, who play a crucial role in influencing the behaviour of investment firms as ultimate providers of capital to the private capital industry. Because of this, it further underscores the commitment to addressing gender disparities.

Big Society Capital (now renamed as Better Society Capital) is the UK's leading social impact investor, whose mission is to grow the amount of money invested in tackling social issues and inequalities in the UK, and has strategically aligned itself with the mission of the Code. By becoming signatories of the Code, Big Society Capital positions itself as one of the pioneering LPs endorsing this initiative.

Their commitment aims to narrow the finance gap for female entrepreneurs, set an example for other investors, and foster inclusivity for economic growth. Big Society Capital's investment team has aimed to put policies in place to improve its own gender equality – and its investment team is now equal gender split or majority female at every level of seniority.

Becoming Code signatories was highly aligned with Big Society Capital's priority to proactively integrate an Equity, Diversity and Inclusion (EDI) perspective into its investment decisions. This includes using its influence as an LP to encourage improved EDI practice and better understand what initiatives lead to the positive change it seeks. The impact of Big Society Capital's commitment to the Code extends beyond its own investment portfolio. As part of its market-building role, Big Society Capital aims to promote momentum of the importance of gender diversity and inclusion within the investment community by contributing to policy and leading industry initiatives, such as the Code.



Expanding the Code: Community Development Finance Institutions



CDFIs excel in supporting women-led businesses, and many are longstanding signatories to the Investing in Women Code.

Akin to the tools and resources of the Code, many customers describe CDFIs' wraparound support as invaluable – their provision of fair and affordable finance is just one element. In 2023, 99% of the small businesses CDFIs lent to had previously been declined by a bank or another lender. Yet Responsible Finance's longitudinal analysis repeatedly shows that 9/10 business customers repay their CDFI loans.

CDFI lending has grown by 3000% in the past two decades. In 2023, the UK's business, social enterprise and personal lending from CDFIs equalled a total of £278m in 90,531 loans, a 14% jump on the year before. 66% of the loans CDFI made across all the markets we serve were to women.

What do we mean by a Community Development Finance Institution?

CDFIs exist to address inequalities in access to finance. They provide finance to viable businesses, social enterprises and people who are underserved by, or unable to access, mainstream finance. CDFIs have dismantled barriers for more than two decades in the UK.

Every year, there are around 195,000 fundable businesses with unmet needs for loans of up to £100,000. Some are declined by mainstream lenders and others discouraged from applying in the first place. Many are led by women.

CDFIs are making waves in this space. For example, 60% of CDFIs' small business loans in 2023 were made to businesses in the UK's 35% most deprived communities, and 24% to Black, Asian or Other Ethnic Minority entrepreneurs.

Every UK CDFI has at least one woman on its board, and 87% have at least one woman in their senior management team. We are proud to work with banks who recognise our reach and ability to nurture people who become banks' future customers.

Collaboration and partnership amplify our impact and ability to create opportunities. We have long been aligned with the Investing in Women Code, and for several years Responsible Finance has encouraged members to become signatories. Its commitments are part of our DNA.

Responsible Finance welcomes the expansion of the Code and is delighted to be lead Code Partner for CDFIs. For the financial services sector to meaningfully address women entrepreneurs' access to tools, resources and finance, we must work together.



Case study: Making Caribbean food dreams a reality

When Esmie Stewart left Vodafone after 12 years, she wanted to do something she loved: hospitality. But Esmie was less enamoured by a lack of good quality, authentic Caribbean food in the UK: “I knew what Caribbean food should be, and most of the food I tasted did not taste like it. It wasn’t fresh. I wanted to change that.”

Esmie launched her restaurant, Leave it to Esmie, in 2016. Everything went well until she became seriously ill in 2018. Just as she was recovering, the pandemic struck.

“The restaurant was all about me, my dreams, everything I wanted people to have. It was quite difficult watching my dream fade away. When we had COVID-19 we had to diversify to survive.”

Esmie had a vision for a food truck which could offer delicious street-food at festivals and run educational activities, but the pandemic sent prices through the roof. Esmie approached a CDFI, Coventry and Warwickshire Reinvestment Trust (CWRT) who provided a £48,000 loan with a 40% (£19,200) grant on top, through the Duplex Investment Fund. She had provided her business plan, financial projections and other information, and says CWRT were easy to deal with:

“They asked lots of questions and went through everything with us to make sure it would work and the figures made sense. It was like getting free business consultancy. They want to get you the money, but they want to make sure you can afford it and that your business will survive.

“David was amazing. He didn’t push me, he said ‘just take your time, go through it, talk through anything with me, and do not sign unless you understand.’”

Esmie launched her food truck in June 2023 which allowed her company to double their sales. Esmie kept all her employees in their jobs, as well as recruiting two new people. Esmie’s success is reflected in her being booked up for months ahead for catering, she is back living her dream.



Photo: Esmie Stewart's food truck



Case study: Entrepreneur develops green range with Purple Shoots

Entrepreneur Lucy Hay received support from Responsible Finance member, Purple Shoots. This allowed her to develop a new eco-friendly range for her North Wales-based company, Art On Scarves.

The scarves are made from recycled plastic bottles. The new range launched in 2023, after a year of research, development and trials funded by the Purple Shoots loan. It became an instant success and now accounts for 20% of the company's sales.

"Art on Scarves had been running successfully since 2021. We recognised the demand for more ecological accessories, so we developed these lovely, light and silky scarves. At the end of their fashion life, they can be fully recycled instead of going to landfill."

The company now sells over 15,000 scarves across ten countries. Lucy started exploring how to get funding in May 2022.

"I didn't approach a bank because I didn't think I would have the right kind of paperwork or track record. I saw an ad for Purple Shoots and liked the fact that it was an ethical lender and a small organisation. I built a good relationship with an adviser over several phone calls and was given information to ensure I understood everything."

Lucy was approved for a £4,000 loan over three years, she says it was: "a modest amount, but it felt huge to me".

The business expansion has created work for four freelancers, as well as inmates at a women's prison in Staffordshire. They offer training, employment, and pay the same rate as their freelancers.

"We teach the women how to print, fold and pack, and business skills from inventory and quality control to time management. These are things which could help them to set up their own scarf-making businesses when they are released, and we hope to run a similar scheme with a prison in Scotland.

"Every day I am amazed at how far I've come – from sales in church halls to New York City and beyond. I'm incredibly grateful for the opportunities I've been given to grow a successful business and would have been hard-pressed to expand without help from Purple Shoots."



Photo: Lucy Hay

Debt finance



Introduction

In 2023, SMEs continued to navigate a challenging economic environment. A technical recession at the end of 2023 rounded off a year of increasing costs and higher inflation rates. All of which contributed to an already uncertain economic outlook for SMEs. With one in four SMEs reporting that they were struggling, plans for business growth and demands for external finance were given less priority.⁵ As a result, there was less lending last year, with gross lending to SMEs by main high street banks hitting a post-pandemic low.⁶

With this backdrop in mind, signatories to the Investing in Women Code remain determined to support female entrepreneurs and women-led businesses. For the past four years, lenders have used this annual data collection exercise to better understand the numbers of women-led businesses applying for finance, the amounts they apply for and the outcomes of their applications in comparison to male counterparts.

The data, combined with other data and customer feedback, plays an important role in developing and implementing activities to support women-led businesses, including targeted funds, mentoring schemes, peer networking, business support and advice.

Santander

The Santander Breakthrough Women Business Leaders' Mentoring Programme has run since 2019.⁷ As part of Santander's commitment to the Investing in Women Code, the programme is for the next generation of fast-growth ambitious female founders and business owners. A place on the programme gives female founders a minimum of 30 hours of mentoring and learning, paired with a suitable mentor and an active network of founders.

Funding Circle

Funding Circle partnered with national charity Hatch Enterprises alongside underrepresented entrepreneurs from across the UK, giving them advice and guidance in a challenging year for small businesses.⁸

Over the twelve months of the partnership, Funding Circle's volunteers mentored and trained founders running start-ups to help them launch, grow or scale their businesses or social enterprises in ways that were unique to each person's business challenges. Funding Circle also donated to the charity as part of Hatch's 2022-2023 programme, and following positive results, the partnership has been renewed for a second year.

5 See: BVA BDRC, 'SME Finance Monitor (Q2 2023)', September 2023, available at: <https://www.bva-bdrc.com/wp-content/uploads/2023/10/SME-charts-Q2-2023-presentation-pack-FINAL-all-slides.pdf> and UK Finance, 'Business Finance Review (Q2 2023)', 2023, available at: <https://www.bva-bdrc.com/wp-content/uploads/2023/10/SME-charts-Q2-2023-presentation-pack-FINAL-all-slides.pdf>

6 In 2023, Q1 UK Finance data for gross lending to SMEs by the main high street banks hit a post-pandemic low of £3.7 billion. See: Business Finance Review (Q2 2023).

7 <https://www.santander.co.uk/breakthrough/resources/santander-breakthrough-women>

8 <https://corporate.fundingcircle.com/media/press-releases/funding-circle-partners-hatch-enterprise-support-underrepresented-entrepreneurs/>

UK Finance collects data from lenders that are signatories of the Code on a number of lending products provided to businesses, including overdrafts and commercial loans. Data collected covers the number of businesses applying for and receiving debt finance in Q2 2023. Other data sources, including the Gender Index, the SME Finance Monitor and UK Finance's Business Finance Review covering a comparable reporting period, also provide important context and a holistic view of access to finance by women-led businesses.

It should be noted that the Q2 reporting period (April to June 2023), was an unusual period in the UK economy. It followed a period of significant turbulence in financial markets at the end of 2022. This inevitably impacted on the profile of finance applications in subsequent quarters. Overall, fewer SMEs reported a need for funding in H1 2023.⁹ This means that this snapshot was taken in a period of heightened uncertainty. This, however, should not materially affect the comparison between male and female-led business lending.

Data collection analysis

The Code data is based on the 74% of records that could clearly be identified by gender, noting that some salutations like Doctor and Professor cannot be identified as male or female, and some businesses do not record any identifying information on gender.

Our data found trends in ownership were little changed when compared with 2022 data returns, with the proportion of female-led businesses in the UK the same in 2023 as in the previous year. The Gender Index reported 20.1% of active UK companies were female-led in 2023, the same share as the previous year.¹⁰

In the period covering 2023 Q2, 27% of sole proprietors and 22% of single director limited companies were women-led businesses (WLBs). Whereas 68% and 75% respectively were male-led businesses (MLBs). The remainder were not identifiable or not recorded. 4% of multiple director limited companies and 8% of partnerships were WLBs. 30% and 23% respectively were MLBs. The majority of these businesses (65% and 60% respectively) were a combination of female and male directors or partners.

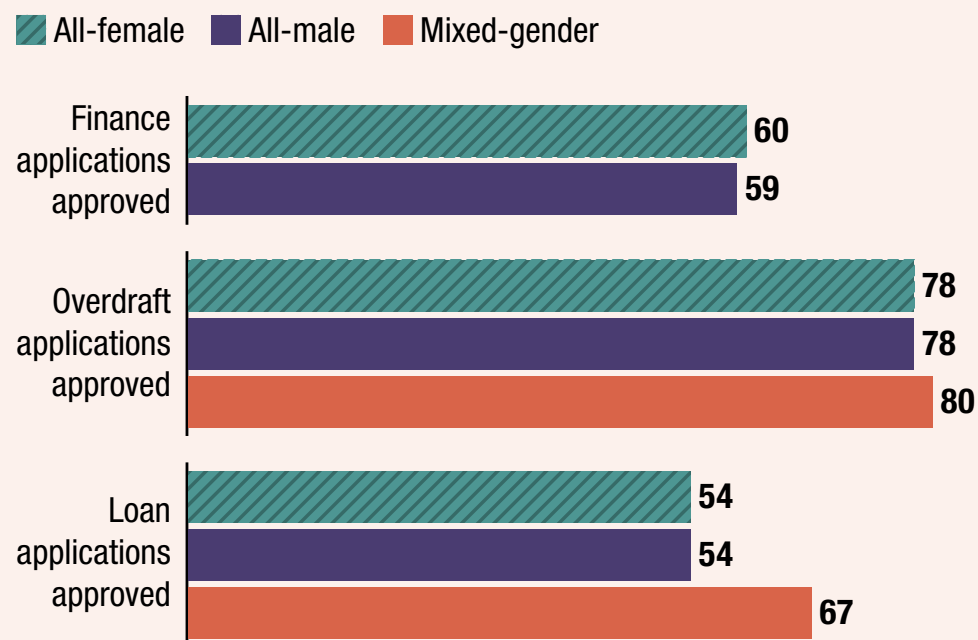
Of the new primary business accounts opened, 7% were opened by a female business owner and 29% were opened by a male business owner. It should be noted that this may not capture all the new female-founded businesses as there was a significant increase in the proportion of accounts opened where the gender of the business owner was not identifiable, compared to 2022.

The proportion of applications for finance made by WLBs was little changed from 2022. 12% of loan applications and 13% of overdraft applications were made by women-led businesses in 2023 Q2. Across all finance applications, 12% were by WLBs, 56% by MLBs and the rest were either a combination of ownership or were not identifiable by gender.

9 See: SME Finance Monitor (Q2 2023), available at: <https://www.bva-bdrc.com/wp-content/uploads/2023/10/SME-charts-Q2-2023-presentation-pack-FINAL-all-slides.pdf>

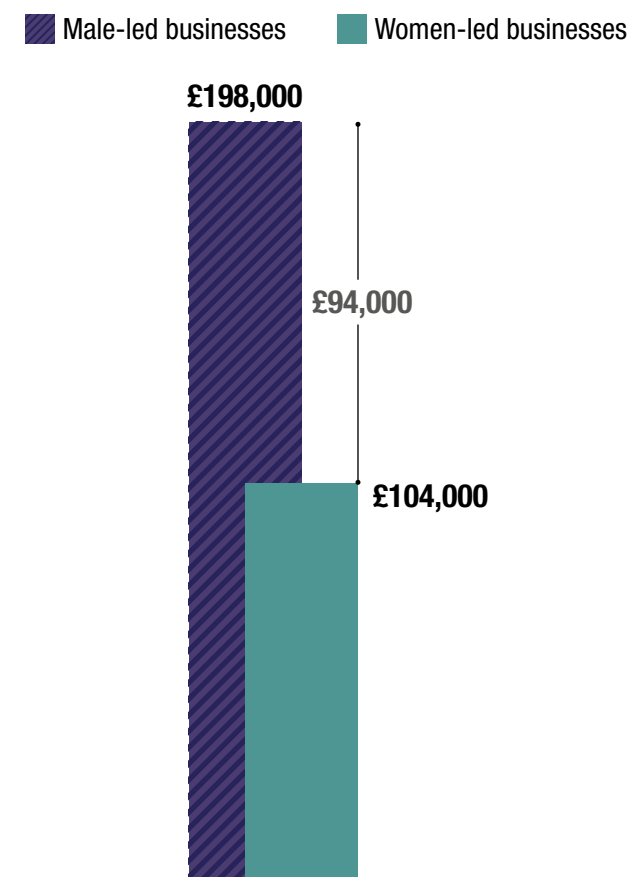
10 See: The Gender Index Report 2024, available at: <https://www.thegenderindex.co.uk/uploads/Reports/TGI-2024-Report.pdf>

Reassuringly, of those that did apply for finance, 60% of applications made by WLBs were approved, compared with 59% of MLBs.



Approval rates for all applicants were higher for overdrafts with little difference by gender of ownership – 78% for both female and male only-ownership, and 80% for mixed ownership. Likewise, approval rates for loan finance applications also had little difference by gender ownership at 54% for both female and male only ownership and 67% for mixed ownership.

The **average value of finance approved** continues to vary by gender of business ownership.



Of those loans approved, the average amount for WLBs was £104,000, around half that approved for MLBs, at £198,000.

Once the difficulties being experienced by all small businesses and entrepreneurs are considered, female-led businesses and entrepreneurs are proving to be stable and business ready. However, the Leading Initiatives Worldwide data has consistently shown that WLBs are less likely to apply for finance and apply for smaller amounts than MLBs.

Differences in access to finance between women and male-led businesses are not unique to the UK. There continues to be a “a credit gender gap in Europe”, according to research by the European Investment Fund.¹¹ There is no general agreement on the root causes of this, although research shows that WLBs are more likely to be risk aware, smaller and younger than MLBs.

Alongside the data collection exercise and implementing initiatives to support women-led businesses, signatories to the Code consider what more they can do to support female entrepreneurs. This includes looking at good practice both in the UK and around the world in supporting women-led businesses and promoting positive role models and case studies of success.

¹¹ See: EIF, ‘Female access to finance: a survey of literature’, 2023, available at: https://www.eif.org/news_centre/publications/eif_working_paper_2023_87.pdf



Case study: Metro supports Glenfields Care Home

Laura Harding gained qualifications in hospitality management and marketing, and her early career was in customer service with blue-chip companies. She found it a natural progression to move into the family business of care homes, focusing on providing high-quality, person-centred care.

When Laura wanted to expand the family business with the purchase of a new home, Alderson House, she turned to Metro Bank for support.

Laura and her family had an impressive track record, having run Glenfields Care Home for over ten years. Glenfields is home to 28 residents and provides excellent person-centred care to patients with dementia and other complex care needs, on a private and social-funded basis.

As a new customer to Metro Bank, Laura worked closely with her Relationship Manager to secure £1.68m of funding to purchase Alderson House and to re-mortgage Glenfields Care Home. This was done through the government-backed British Business Bank Recovery Loan Scheme, which was specifically designed to support UK businesses to invest in growth during the pandemic.



Photo: Metro Bank also supports Food By Sophie and Jo Crafts



Case study: Lloyds Bank supports Uhuru Botanicals

A West Midlands manufacturer, Neo Chatyoka, formed a plan to grow her business and help more women gain the skills and knowledge needed to thrive in the sector, supported by Lloyds Bank.

Starting with just £70 and a passion to help people suffering skin issues, Uhuru Botanical manufactures plant-based skin care and beauty products using ingredients from South Africa. The Wolverhampton-based business launched in 2017 from the founder's kitchen table, after she formulated her own natural products to treat her baby daughter's eczema.

With orders coming in fast, the business needed to buy new manufacturing equipment and scale its operations to capitalise on the growth opportunity. Lloyds Bank provided financial capital to help fund new machinery and move the business from a garage to a factory in Wolverhampton.

Above the day-to-day operations of the business, the founder has also established the Formulation Academy to teach other women about formulation, product development and manufacturing.

Uhuru Botanicals benefitted from several Lloyds Bank programmes that are designed to improve business skills and build networks, including the 'Start Up, Scale Up' programme, which helps small businesses identify its target audience and the steps needed to grow.

Photo: Neo Chatyoka





Case study: Barclays supports Tech1M

Tommie is an award-winning tech and B2B sales entrepreneur with over 15 years' experience in product development for Fortune 500 companies. Her latest venture, Tech1M, is an AI-led recruitment automation and skills assessment platform that helps businesses attract, evaluate and hire quality candidates.

Tech1M has an intelligent assistant called Ammie, where users can pinpoint top talent, analyse candidates objectively and without implicit bias, automate repetitive tasks, and gain valuable insights into individual candidate fit. The Barclays Venture Growth Programme has helped Tommie to achieve her business goals and overcome barriers such as fundraising.

Through Barclays, Tommie had access to masterclasses, tailored mentorship and networking opportunities to give her invaluable insights and connections.

This meant that Tech1M could refine its strategies for scaling, attracting investors and harnessing creative go-to-market strategy to expand its client base. Thanks to all this support, Tech1M has just closed its pre-seed funding round.

“Through innovative and transformative strategies across the entire recruitment cycle, we are redefining the essence of hiring – achieving sustainable excellence in talent acquisition while saving businesses up to three times the cost and time.”

Tommie Edwards

Overall, Barclays has empowered Tommie and Tech1M to understand industry dynamics and fundraising strategies better, and they have provided the tools to sustain and advance its plan to disrupt the recruitment industry.

Photo: Tommie Edwards



Venture capital

Introduction

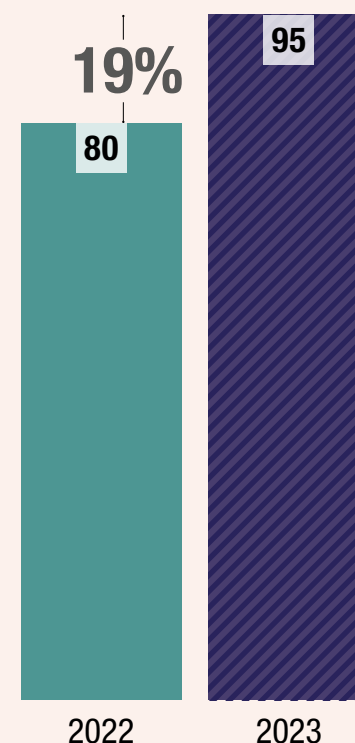
Insights into female access to venture capital are provided by data returns collected directly from the industry.

The insights complement the British Business Bank's own research through its Small Business Finance Markets report and Equity Tracker 2024. It showed that the share of equity deals to teams with at least one female founder has increased by almost 10 percentage points over the past decade from 18% to 28%. However, the share of equity investment to all-female-led businesses has remained static at 3% over the last decade.¹² Such challenges in raising finance to start and grow their business mean that overall, female founders and women-led businesses, are more likely to be discouraged from applying for finance.¹³

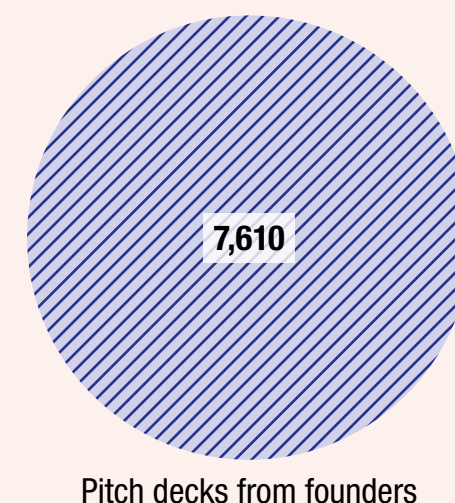


For this latest report, 95 VC Investing in Women Code signatories submitted gender-disaggregated data, an encouraging 19% increase from 80 returns in 2022. We analysed 7,610 pitch decks from founders and 2,167 investment committee decisions.¹⁴

Gender disaggregated data submitted



IC decisions made by VC firms analysed



¹² As stated in the recently published [Small Business Finance Market Report](#)

¹³ See: British Business Bank, 'Small Business Finance Markets Report 2023/24' available at: <https://www.british-business-bank.co.uk/about/research-and-publications/small-business-finance-markets-report-2024>

¹⁴ An increase in comparison to last year's pitch deck (7,159) and a fall from investment committee decisions (2,794). Signatories submit data on pitch decks received over a 6-week period and IC decisions over the calendar year.

The key findings from the analysis of data provided by signatories includes:

- Investing in Women Code signatories continue to outperform the wider VC market in supporting teams with at least one female founder
- Signatories that have consistently reported data since 2020 have outperformed other signatories and the wider market in deals to teams with all-female founders
- Market share of signatories' deals continues to rise for the third year in a row, as the number of signatories increases
- All-female teams were more likely to progress from IC stage to getting funded, while mixed-gender teams were less likely to get funding
- The value of investment received by all-female founder and mixed gender teams outperformed the wider market by one percentage point and 10 percentage points respectively
- Warm introductions continue to be the most successful in securing funding for all teams
- All-female teams continue to receive a lower share of follow-on funding
- Diversity within signatories' investment committees improves outcomes for teams with at least one female
- Providing constructive feedback on the quality of investment propositions and reasoning of final decision are the most frequently used actions by funds to support female entrepreneurs



Photo: VC Albion group

Data collection analysis

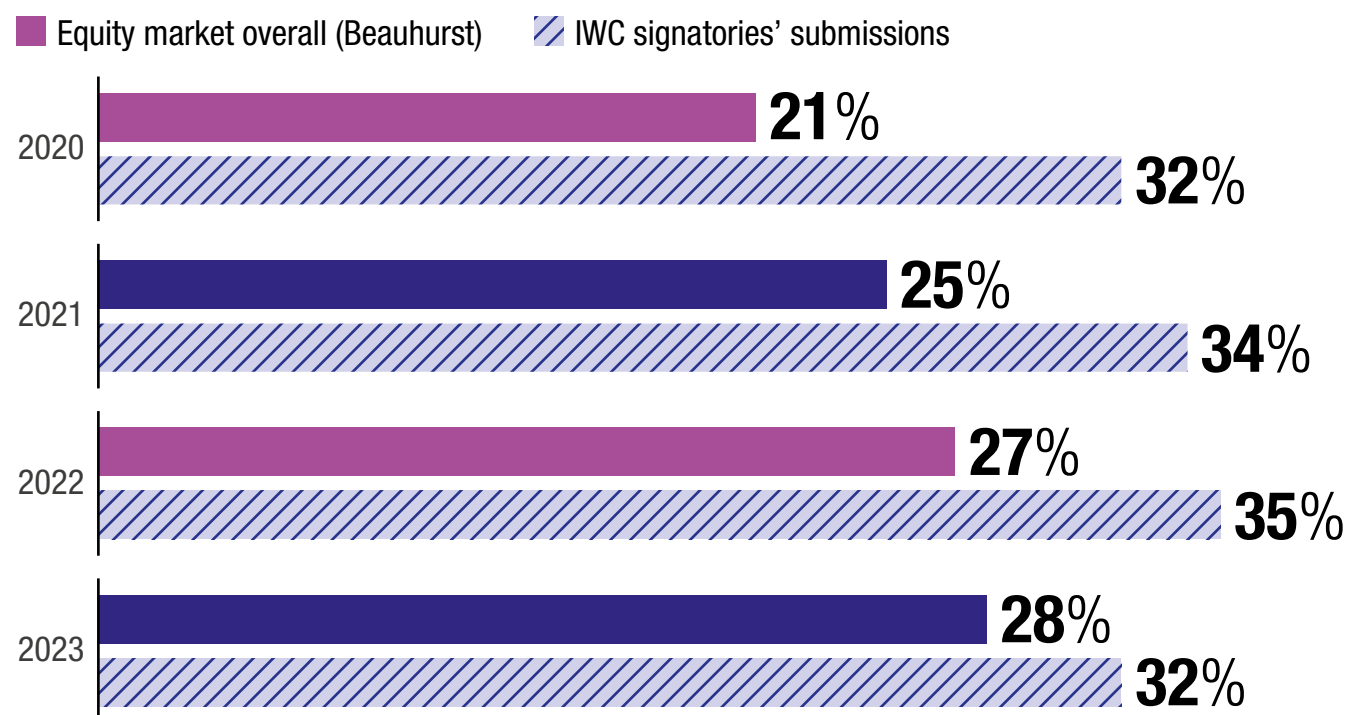
Investing in Women Code signatories continue to outperform the wider equity market in supporting teams with at least one female founder.

Figure 1 shows that in 2023, 32% of VC deals made by signatories were in companies with at least one female founder,¹⁵ with 9% of deals made in companies with all-female founder teams and 24% of deals to mixed-gender teams. The data indicates a three percentage point fall in the percentage of deals to at least one female founder from 2022 to 2023, driven by a lower share of deals to mixed-gender teams (down from 26% in 2022).

Further analysis showed that the 30 new signatories reporting for the first time in 2023 outperformed all signatories and the wider market in deals involving mixed-gender teams (36% of deals), while the share of the new signatories' deals to all-female teams were lower, at 6%. The next section covers this analysis on signatories that reported their data every year since 2020.

In comparison to the wider market, Beauhurst data indicates that 28% of equity deals in the broader market involved companies with at least one female founder. 8% of deals are made in companies with all-female founder teams and 20% of deals to mixed-gender teams. Signatories' share of deals to all-female teams and mixed-gender teams remains above the wider market (see Figure 1).

Figure 1: Share of equity deals received by at least one female founder (all-female and mixed-gender teams) (%)



Source: Investing in Women Code Signatory data (IC funded deals – n=504, n=1055, n=1713, n=1327) and British Business Bank analysis of Beauhurst data, excluding deals where founder gender data was not known.

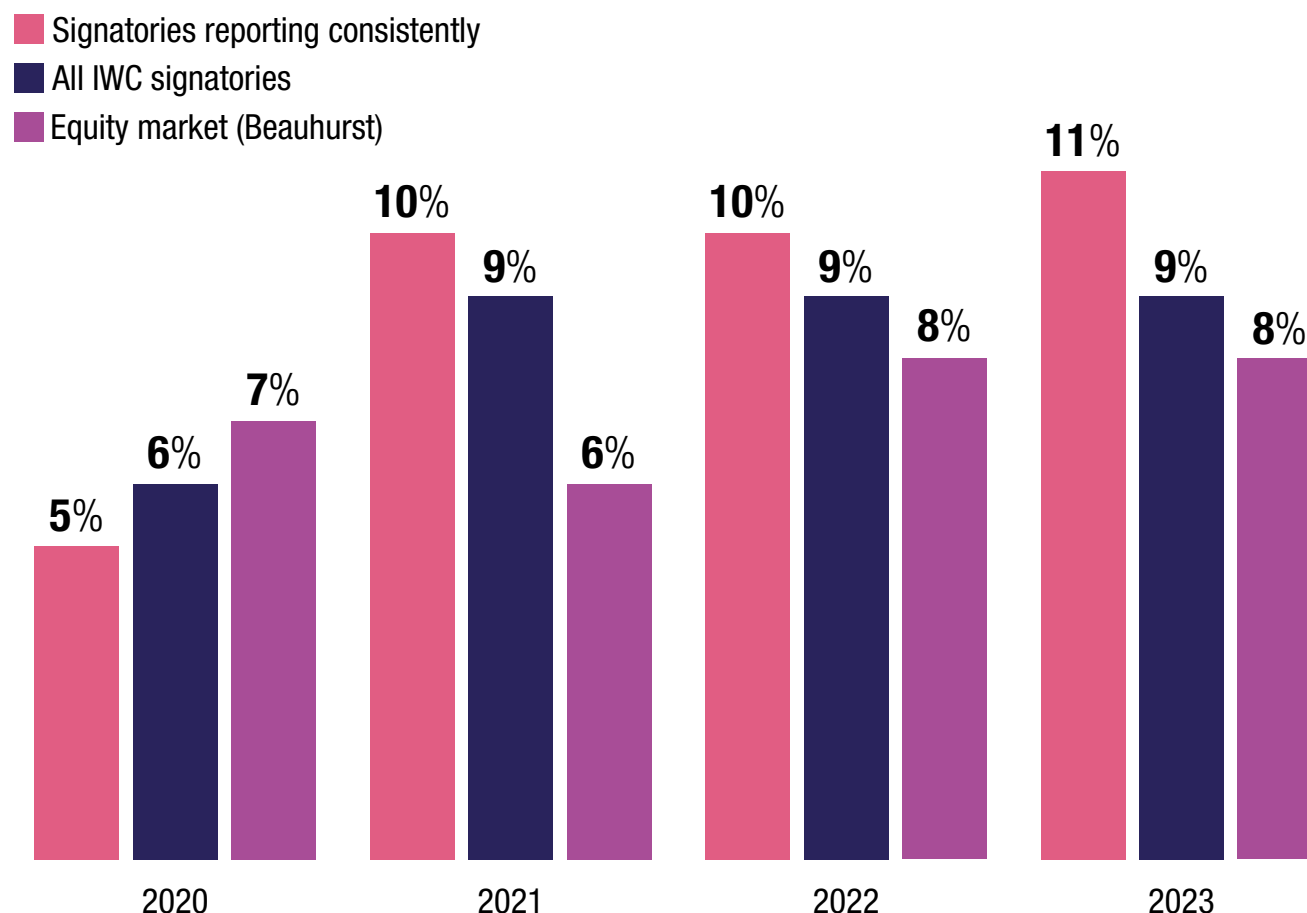
¹⁵ 'At least one female' refers to all-female teams and mixed-gender teams.

Signatories that have consistently reported data since 2020 have outperformed other signatories and the wider market in deals to teams with all-female founders.

The signatories consistently reporting IC data are playing an important role in driving change, both in continuing to report their investment decisions' data, and by investing in a larger proportion of teams with female founders than the wider market.

Figure 2 shows the proportion of equity deals received by teams with all-female founders for the 23 signatories reporting data consistently over 2020 to 2023, compared to all IWC signatories and the broader market. Among signatories that consistently reported, the share of deals going to teams with all-female founders has increased every year over 2020 to 2023, reaching 11%, as well as outperforming all signatories and wider market over 2021 to 2023.¹⁶ In 2023, the share of equity investment value to all-female teams by funds that reported their data consistently was 4%, a percentage point higher than the wider market.

Figure 2: Share of equity deals received by all-female founder teams (%)



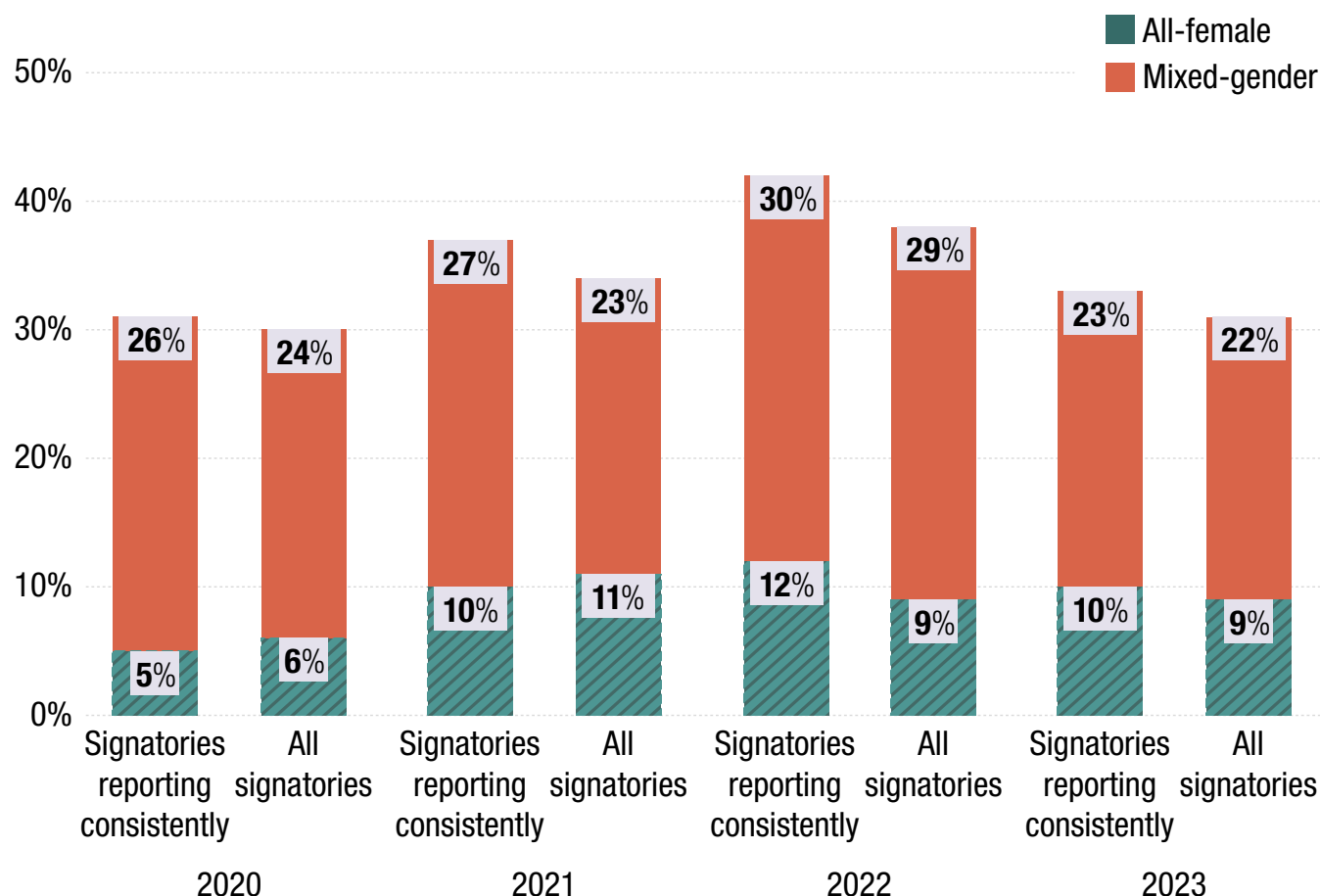
Source: Code Signatory data (2020 to 2023 data from 23 funds (IC funded deals – n=390, n=410, n=511, n=394), all Code signatories (IC funded deals – n=504, n=1055, n=1713, n=1327) and British Business Bank analysis of Beahurst data, excluding deals where founder gender data was not known.

¹⁶ It is important to note that Beahurst compiles company-level data on deals, unlike Code signatories who provide fund-level information on their deals. This inherent difference makes a like-for-like comparison challenging.

Deals to teams with at least one female founder also showed a consistent upward trend in the first three years, rising from 33% in 2020 to 39% in 2022.¹⁷ However, this percentage fell to 32% (11% of deals being made in companies with all-female founder teams and 22% of deals to mixed-gender teams) in 2023 while still outperforming the wider market by five percentage points.

The share of applications to investment committees from teams with at least one female founder amongst signatories that have reported consistently has also outperformed the wider Code signatories over the four years of the analysis (Figure 3). This indicates that the higher share of funding going to female founders could be due to a larger share of their pipeline (as measured by teams reaching IC stage) made up of female-founded businesses.¹⁸

Figure 3: Share of applications to investment committee by teams with at least one female founder (%)



Source: Code Signatory data (2020 to 2023 data from 23 funds (IC deals – n=602, n=579, n=901, n=555), all Code signatories (IC deals – n=850, n=1625, n=2688, n=2167), excluding deals where founder gender data was not known.

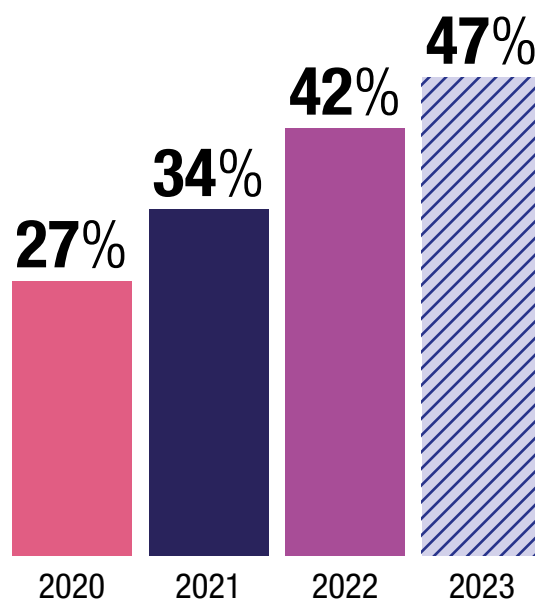
¹⁷ 2020 is not an ideal base year for comparison due to the market volatility that occurred during the year.

¹⁸ It is not possible to compare pipeline across the wider market, as equity deal databases typically report on announced deals rather than IC stage proposals.

Market share of signatories' deals continues to rise for the third year in a row, as the number of signatories increases.

The share of announced UK equity deals involving a signatory has increased every year since the inception of the Code in 2020 (Figure 4). The Code's VC signatories supported almost half of all deals in 2023. This indicates that an increasing number of firms are signing the Code and committing to gender equality in access to finance.

Figure 4: Market share of deals involving a signatory (%)



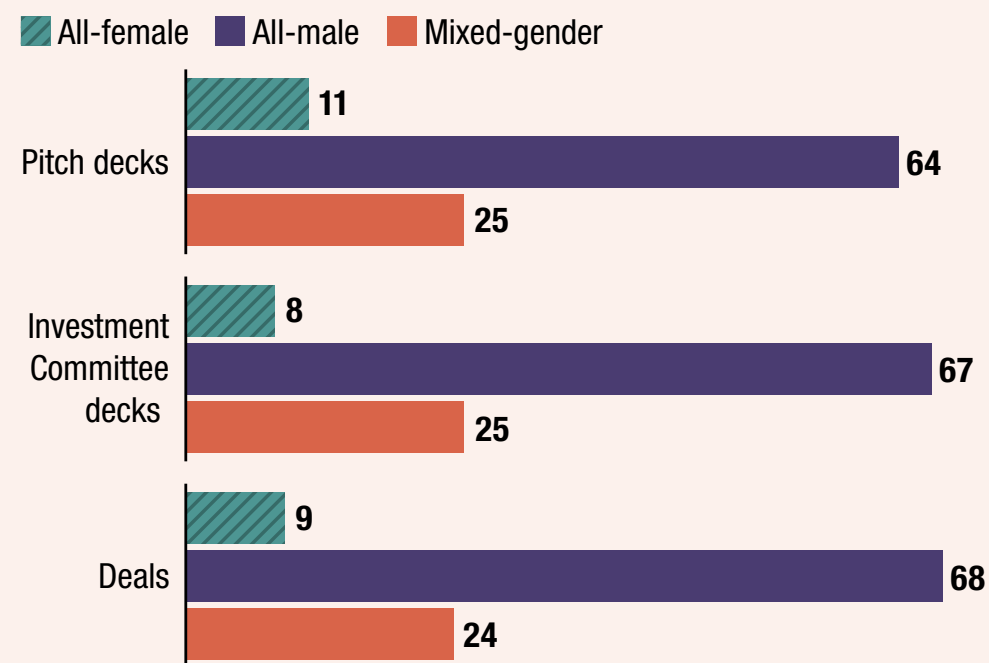
Source: British Business Bank analysis of Beauhurst and IWC signatory data (2020 to 2023 data (signatories – n=61, n=94, n= 141, n=185)).

All-female teams were more likely to progress from IC stage to getting funded, while mixed-gender teams were less likely to get funding.

11% of pitch decks received from signatories were from all-female teams, in line with 2022 data. Figure 5 shows that 8% of IC decisions involved all-female teams (down from 10% in 2022) and 9% of deals were to all-female teams.

This indicates a slightly higher success rate from IC to a deal (73%, compared with 68% and 64% for all-male and mixed-gender teams respectively), but a lower progression rate from pitch deck to investment committee.¹⁹ Mixed-gender teams' representation decreased from IC stage to funded deals, while all-male teams increased their share at each stage.

Figure 5: Share of Pitch decks, IC stage and Investment deals by gender, excluding pitch decks, IC stage and deals where gender was unknown.

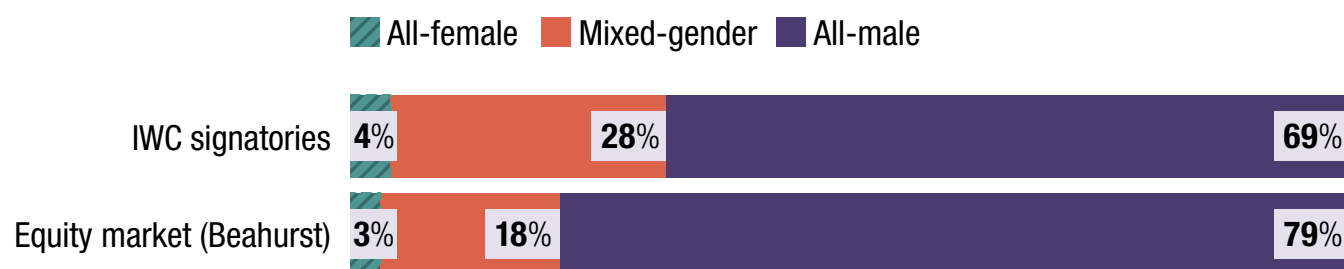


Source: Code Signatory Data Analysis 2023 (pitch deck n=7610, IC n=2167, Deals n=1271). Note: Pitch deck data was collected by signatories over a period of 6 weeks, while IC decisions were collected over the calendar year.

¹⁹ Given pitch decks are submitted over a 6-week period and IC decisions over the calendar year, it is not possible to calculate a progression rate.

Figure 6 shows that the value of investment received by all-female founder and mixed-gender teams outperformed the wider market by one percentage point and 10 percentage points respectively.

Figure 6: Proportion of investment received by gender



Source: British Business Bank analysis of Code Signatory Data 2023 (IC funded deals n=1327), and British Business Bank analysis of Beahurst data, excluding deals where founder gender data was not known.

Looking at funding requested for all those considered at IC stage, teams with at least one female founder accounted for 30% of total ticket sizes (the amount of funding requested in a single investment by a team) and 43% of total round sizes (the total amount of funding requested in a single round of investment, which can include multiple tickets).

In contrast, all male teams requested 70% of total ticket sizes and 57% of total round sizes.

These figures indicate a significant disparity in funding requested for larger ticket and round sizes, while all-female teams requested only a small fraction (2% of both total ticket sizes and round sizes).²⁰

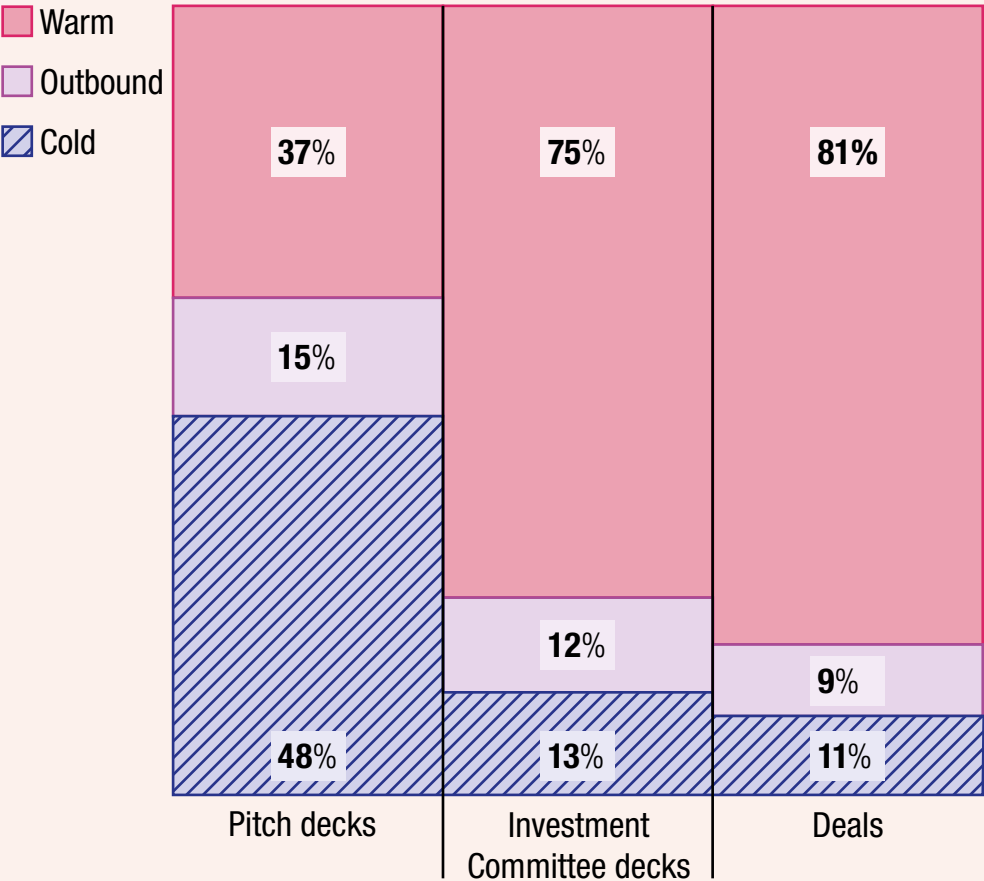
²⁰ Data was filtered for where round size is greater than or equal to ticket size, to control for misinterpretation of measures of funding requested. N=1,369 investment committee decisions where founder team gender was known, and round size was greater than or equal to ticket size.

Warm introductions continue to be the most successful in securing funding for all teams.

Figure 7 shows that 37% of received pitch decks come from ‘warm’ approaches.²¹ While 76% of decks presented at the investment committee stage and 81% of funded deals originated from warm sources. This emphasises how warm approaches lead to the highest progression rate through the pipeline.

While around 50% of pitch decks were from cold sources, they account for just 11% of the funded deals (Figure 7). To maximise opportunities, it could therefore be beneficial for VC firms to be more open to ‘cold’ sourcing, where founders proactively contact the VC firm or investor without prior contact or a pre-existing relationship.

Figure 7: Pitch decks, IC stage and investment deals by source.



Source: Code Signatory Data Analysis 2023 (pitch deck n=7610, IC n=2167, Deals n=1327)

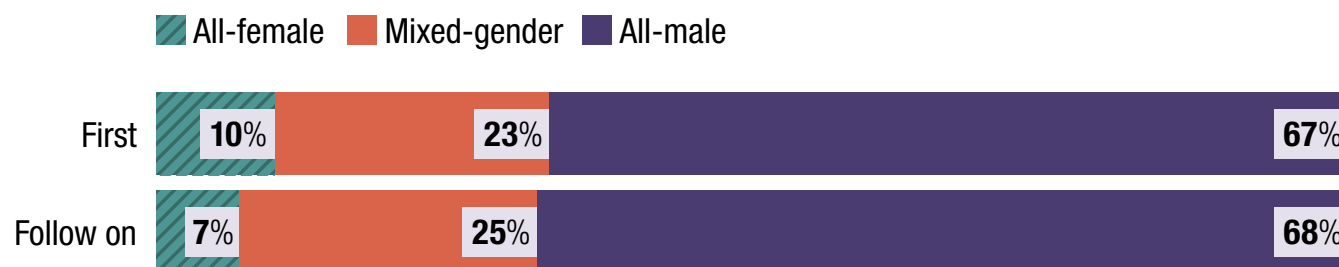
21 For the purposes of this report, warm approaches constitute founders introduced through a pre-existing relationship with the fund manager or investor. This could be through personal networks via social clubs, university and so on.

All-female teams continue to receive a lower share of follow on funding.

Figure 8 shows that all-female teams account for a higher share of first-time (from signatories) deals (10%), than follow on deals (7%), even after having successfully raised and established a relationship with signatories.²² The reverse is true for mixed-gender and all-male teams. Over half of deals to female teams were first-time funding from signatories (57%) compared to follow-on funding from (the same) signatories (43%). However, this is a more balanced profile compared to 2022, where 80% of deals to all-female teams were first-time funding and 20% were follow-on.

Although not directly comparable, across the wider market, all-female teams also accounted for a lower share of all follow-on deals (6%) compared with first-time deals (11%) in 2023. The same was true for mixed-gender teams (22% of first-time deals, 19% of follow-on funding), while all-male teams increased their representation (68% to 75%). All-female teams accounted for just 1% of follow-on investment value in 2023.²³

Figure 8: Share of first and follow-on deals from signatories by Gender (%)



Source: Code Signatory Data Analysis 2023 (funded deals, n=1,327)

²² In this context, first and follow-on deals refer to whether the deal is first or follow on to the individual signatory, rather than whether the deal is the team's first or later round of funding overall.

²³ British Business Bank analysis of Beauhurst data. Note: This excludes deals where founder gender is unknown.

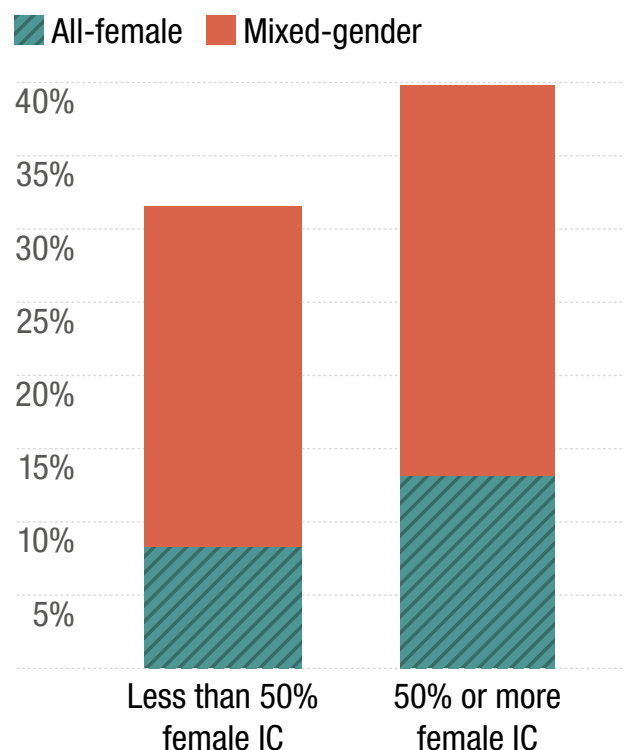
Diversity within signatories' investment committees improves outcomes for teams with at least one female member.

Improving diversity in investment committees and investment teams was recommended as a pathway to improving investment diversity in the British Business Bank's 'Finding What Works' report.²⁴

Analysis of Code signatories' data showed an average of 21% female representation on investment committees, down from 24% in 2022 and compared to an industry average of 11%.²⁵ Investment teams had 35% females, a three percentage point increase from the previous year and well above the industry average of 24%.²⁶

Figure 9 shows that where an investment committee has 50% or more female members, 40% of deals have at least one female founder, compared to 31% where less than 50% of IC members are female.²⁷

Figure 9: Proportion of deals to teams with at least one female founder, by share of investment committee that are female.



Source: Code Signatory Data Analysis 2023 (n=131 deals with 50% or more female IC members, n=1,196 deals with less than 50% female IC members)

Similarly, more teams with at least one female founder reached IC stage where investment teams had more than 50% female members. 37% of IC stage teams had at least one female founder where investment teams were gender-balanced or majority female. This, however, dropped to 31% where investment teams were majority male.²⁸

These results suggest that increasing and maintaining the proportion of female representation on investment committees and investment teams may be important for improving outcomes for female-led businesses.

²⁴ See: British Business Bank, 'Finding What Works: Pathways to improve Diversity in Venture Capital Investment', 2023, available at:

<https://www.british-business-bank.co.uk/about/research-and-publications/finding-what-works-pathways-to-improve-diversity-in-venture-capital-investment>

²⁵ See: BVCA, 'BVCA and Level 20 Diversity and Inclusion Report 2023' 2023, available at <https://www.bvca.co.uk/Research/BVCA-Publications/Details/Diversity-and-Inclusion-2023-Report>.

Note: this is the industry average for both VC and private equity.

²⁶ See: BVCA, 'BVCA and Level 20 Diversity and Inclusion Report 2023'. Note: this is the industry average for both VC and private equity.

²⁷ This is statistically significant at the 95% confidence interval.

²⁸ This is statistically significant at the 95% confidence interval.

Providing constructive feedback on the quality of investment propositions and reasoning of the final decision are the most frequently used actions by funds to support female entrepreneurs.

As seen in the analysis above, Code signatories have consistently outperformed the wider market in investments to female-founder teams. To identify the behaviours of signatories that led to this, we asked them to rate their use of the 14 actions identified as part of the British Business Bank's research on 'Finding What Works'.²⁹

Providing constructive feedback on the quality of propositions and the reasoning behind the investment decision was rated as the most used action (Figure 9). Two thirds of the funds reported it was something that they always do.

Signatories are actively working to increase inclusion in the pipeline by hiring more diverse investment teams. There is a significant positive correlation between funds taking steps to increase diversity among those that are involved in the identification of potential proposals and the representation of females in investment teams. A significant majority (80%) have indicated they are taking steps to increase diversity among those involved in the identification of potential proposals.³⁰ This could lead to a further increase in investment to women-led firms as greater diversity among the team can help the founders feel more comfortable engaging with venture capital, as they see people like themselves. 66% of the funds have themselves publicised their commitment to diversity on social media and their website.³¹

Designing funds specifically targeted at diverse entrepreneurs received the lowest average and median rating (Figure 9). 75% of signatories reported that they do not currently use or rarely use this action.³² The 'Finding What Works' research found that just 31% of the VC firms ranked this action as effective.³³ While firms supporting this approach believe it could offer a clear pathway for underserved founders to access venture capital, however some VC firms caution that while beneficial in the short term, this strategy might reinforce existing biases in the system.³⁴

29 See: Finding What Works: Pathways to improve Diversity in Venture Capital Investment, British Business Bank (2023) available at:

<https://www.british-business-bank.co.uk/about/research-and-publications/finding-what-works-pathways-to-improve-diversity-in-venture-capital-investment>

30 72 of the 90 funds rated the action as 4 or 5.

31 59 of the 90 funds rated the action as 4 or 5.

32 67 of the 89 funds rated the action 1 or 2.

33 13 of 42 respondents rated perceived effectiveness as 4 or 5.

34 See: British Business Bank, 'Finding What Works: Pathways to improve Diversity in Venture Capital Investment

Figure 10: Mean and Median ratings by Code signatories that reported their utilisation of the 14 Finding What Works actions.

Source: British Business Bank analysis of Investing in Women Code signatory data – the actions are rated on a scale from 1 (don't currently use) to 5 (always)

Actions	Number of VC funds that reported their actions	Mean rating of each action	Median rating of each action
Providing constructive feedback on the quality of propositions and reasoning behind investment decisions	91	4.5	5.0
Taking steps to increase the diversity among those involved in the identification of potential propositions	90	4.2	4.0
Encouraging cross-referrals to other funds that may be interested	91	4.0	4.0
Clearly communicating your investment strategies and commitment to diversity via your website and social media	90	3.9	4.0
Ensuring senior decision makers, including Investment Committees, are made up of people from a diverse set of backgrounds	91	3.5	4.0
Participate in industry-wide surveys and make D&I data on their investments public	91	3.5	4.0
Monitoring and reporting progress in supporting diverse entrepreneurs to Limited Partners	88	3.4	4.0
Using 'office hours' to network with and provide support to diverse entrepreneurs	90	3.3	3.5
Using accelerators as a referral mechanism to identify and support diverse entrepreneurs	90	3.2	3.0
Actively monitoring social media to identify strong propositions from a diverse pool of entrepreneurs	90	3.2	3.0
Using incubators as a referral mechanism to identify and support diverse entrepreneurs	90	3.0	3.0
Using scouts to access diverse networks and identification of quality propositions	90	2.3	2.0
Designing funds that are targeted specifically at diverse entrepreneurs	89	1.7	1.0



Case study: Noggin – a female-led business, disrupting credit access

According to **PwC and Totally Money**, one in three adults in the UK now have difficulty accessing credit from mainstream lenders. For millions, this is not due to affordability or adverse credit history, but because legacy credit referencing systems simply do not know enough about these ‘thin file’ consumers’ borrowing history.

Noggin HQ are solving this by building credit risk scoring that is based on everyday financial data, allowing unserved consumers to access credit products they would otherwise be excluded from. They recently launched their first product – a price comparison platform that enables consumers to obtain products with fair and transparent credit terms from the UK’s leading lending partners.

The Newcastle-based founders, Eva Atkinson and Laura Mills, have been friends since childhood, and their strong co-founder relationship, and an

intentional approach to achieving a mission they both believe in, is the driving force behind Noggin.

Oxford Capital, a Code signatory, led Noggin HQ’s pre-seed round in November 2023.

Oxford Capital was founded in 1999 and based in one of the greatest knowledge clusters in the world. They are committed to investing in the most promising early-stage start-ups across the UK, and supporting founders in the journey to realise their potential.

Eva explains: “Having experienced this exclusion, we know the impact this is having on people’s lives, and the opportunity we have to level the playing field. It’s also not lost on us, that as two women from the Northeast, we’re the underdog in this space. But it’s this ‘outsiders’ perspective that we believe will set us apart.”

Laura says: “The credit referencing system needs more transparency and should afford consumers greater control over the decisions that are being made about them. We want to prevent as many people as possible from being locked out or pushed into high-cost credit options.”

“Eva and Laura epitomise what we look for in founders at Oxford Capital. We’re thrilled to have had the opportunity to invest in them, and I look forward to continuing to work with both of them as they build Noggin over the coming years.”

Richard Oakley, Oxford Capital



Photo: Eva Atkinson and Laura Mills



Case study: Albion Capital – a signatory taking action

Albion Capital is a leading independent alternative investment manager with a long-term record of backing innovation and growth. With over £1 billion in venture funds, Albion partners with visionary entrepreneurs to build generational companies across B2B software and deep tech.

Albion is committed to promoting female-led businesses by driving diversity within their organisation and across their portfolio companies. Albion partners with FairHQ to ensure constant review and enhancement of their diversity and inclusion practices. This led to significant progress, with their FairHQ score improving from 3.8 in 2021 to 6.6 in 2023.

As of 2023, Albion reported that 26% of their portfolio companies have female founders or CEOs. To help build diverse teams across its companies, the VC developed a digital hiring playbook to evaluate a wider breadth of experiences, giving those who have historically been underrepresented in roles across the tech industry a chance to build a career.

Albion and SpeedInvest, with support from the broader VC ecosystem, also co-created Radia Accelerator. This is an eight-week programme that provides women at the ideation stage of company formation with access to a network of investors, practical guidance on company building, and a peer community. 56 women from diverse backgrounds applied to the first Radia cohort, and 25 took part in the programme which included a workshops and fireside chats. As of autumn 2023, nine companies have been launched by the Radia alumni.

Alongside the programme, Albion has hosted a series of events to support and connect Radia Accelerator founders to the venture capital and angel investor ecosystem.

As stated in the 'What Works Report', "what gets measured gets done". Albion is committed to taking actions and measuring progress to improve the outcomes for female-led businesses.

Photo: Investment Team members at Albion Capital

Ed Lascelles, Partner Albion Capital comments: "Our approach to help support and enable women entrepreneurs is integral to our belief that a diverse and inclusive business environment leads to better outcomes for all. Given the continued disappointing statistics about the amount of funding raised by women entrepreneurs, we remain committed to address the challenges that hinder their potential and strive to support a new generation of women led software companies."



Angel investment



Introduction

This report is the fourth on angel investment signatories to the Investing in Women Code. Each have reflected considerable fluctuations in the angel market. In 2020, the first report captured the many angels pulling back from investing due to the pandemic. By contrast our second report reflected an extremely buoyant angel market in 2021, with a much stronger increase in investment to women founders. However, in 2022, this report reflected the considerable strains on the angel market from global economic shocks, and cost of living crisis – which in turn caused a significant drop in the number of deals and investment in women founders.

The 2023 findings on angel investments are set against a backdrop of continuing uncertainties, with a decrease of 47% (Beauhurst) in angel investments made between July 2022 and the end of 2023.³⁵ This was underlined by a 50% decrease in total investments made by the angel Code signatory respondents in 2023, compared to 2022.

Nevertheless, the report shows some positive progress for investment in women founders since the last report, as well as revealing some ongoing challenges.

Code signatories are comprised of Angel groups, made up of several angel investors coming together to invest in either ad hoc syndicates as part of a larger network, or as part of a smaller group of co-investors.

40 Angel groups have now signed up to the Code, which represents a 30% increase from our 2023 report. This clearly indicates that the angel community is actively seeking to better embrace gender diversity and recognise the investment potential among women founders. Of these groups, many have been classified as VCs for data collection purposes and are incorporated in the results provided by British Business Bank. Of the remaining Angel groups that do not operate sidecar funds, 17 provided the data which is analysed in this report.

The key findings from the analysis of data provided by angel signatories include:

- decks received from teams with women founders (all-female and mixed-gender teams) showed a strong increase overall, making up two thirds of total deal flow received by the Angel group signatories
- there was a significant rise in the number of decks received from all-female founders, amounting to 25% of total pitch decks, while the average funding requested by all-female teams was 40% higher than in 2022 – this showed increased confidence and ambition among women founders approaching angel Code signatories in 2023
- 66% of proposals received from all-female teams were through 'cold approaches', showing that very many all-female teams continue to lack access to networks and connections with the investment market

³⁵ See: Beauhurst, 'The Deal 2023', 2023, available at: <https://www.beauhurst.com/research/the-deal-2023/>

- for the first time since these reports were produced, teams with women founders (both all-female teams and mixed-gender teams) received the larger share of investment deals (57%) and over half (51.5%) of the amount of equity invested by the angels, compared to all-male teams with 48.5%
- in terms of the amounts of total investment received, all-female teams accessed only 9.75% of the total amount of risk capital invested by the Angel group signatories in 2023 – this represents only a small increase from the downturn of 7.1% of total investment that went to all-female teams in 2022
- all-male teams received 48.5% of total amount invested and which demonstrates a strong shift from the 73.5% of total investment in all-male teams in 2022
- 60% of the Angel groups that provided investment data in 2023 have over 15% women investors with three groups having over 50% women investors and three with 100% female investor members – this demonstrates a higher proportion of groups with an improving gender balance, compared to the 2022 investor cohort
- Angel groups with more than 15% women investors made 57% of their investments in teams with women founders (all-female and mixed-gender) of which 21% was in all-female teams

Data collection analysis

Strong increase in decks received from teams with women founders

In 2023, 763 decks were received in total, compared to 604 pitch decks in 2022 and 603 in 2021. There was a notable increase in total pitch decks received from all-female founding teams with 189 (25%) of all decks received compared to 111 (18%) received in 2022, compared to 103 (17%) in 2021 and 16% in 2020. This shows some clear progress in the number and proportion of total deal flow from all women-founder teams approaching Angel groups for investment. This may also reflect the higher participation of women Angel groups as Code signatories.

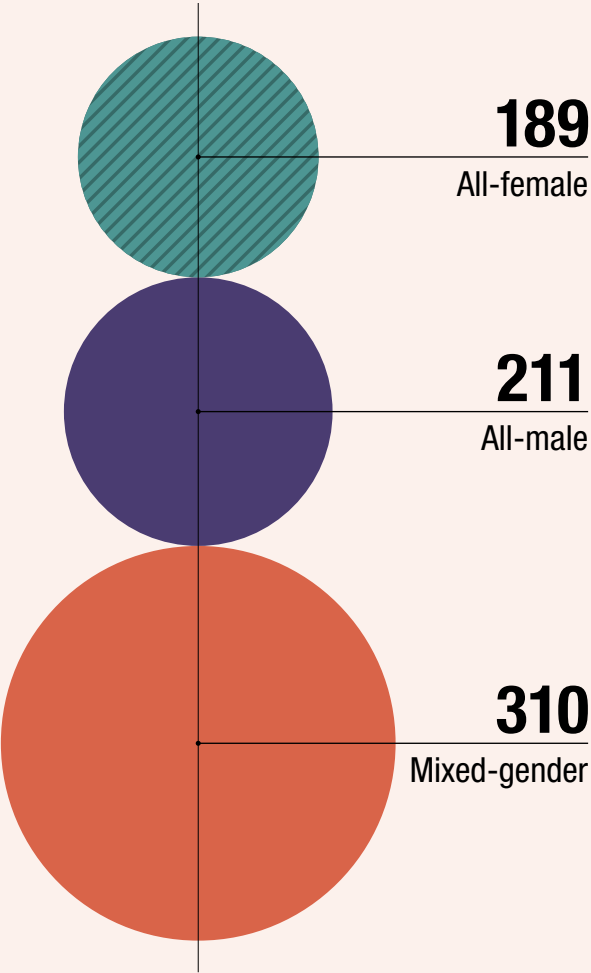
At the same time there is a clear decreasing proportion of pitch decks being received from all-male teams, with 211 decks representing only 28% of deal flow compared to 202 decks at 33% in 2022, and 260 decks representing 43% of total deal flow in 2021.

While mixed male-female founder teams showed a significant growing proportion of deal flow with 310 decks, that is, 41% of total deal flow, compared to 217 (36%) in 2022 and 175 (29%) in 2021.

However, when drawn together, this data reveals that teams with women founders are now making up two thirds (66%) of total deal flow received by Angel group Code, compared to 54% in 2022 and 56% in 2021, and therefore shows significant progress in opening up their pipeline to women founders since reporting began.

It was not possible to confirm the gender of the teams in 53 decks, that is 7% of total decks received.

Figure 11: Number of pitchdecks received, by founding team gender



Increasing confidence and ambition in investment requested from female founders

A total of £978.5 million equity investment was requested in total across all 763 decks, compared to £667 million equity investment requested across 604 decks in 2022. Of this total, £72,700 reflects funding requests where the gender was not clear.

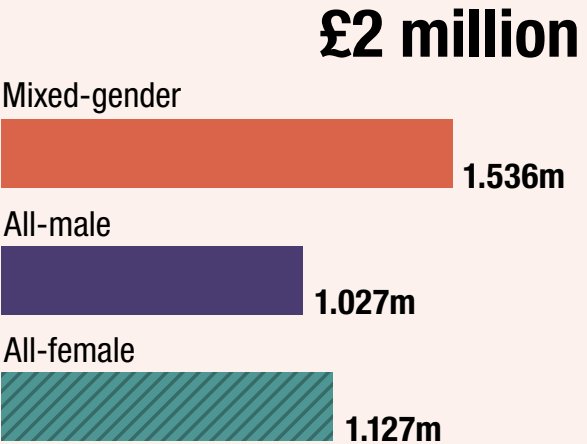
The total amount of funding requested by all-female teams was £213 million compared to £20.5 million in 2022. Notably, the average funding requested by all-female teams was £1.127 million, which shows a very significant increase compared to 2022, when only an average of £184,000 funding was requested – and which was a very sharp decrease from the average £791,000 requested in 2021. This demonstrates that all women-founder teams have been regaining confidence and ambition in putting forward their funding needs to investors.

Mixed male-female teams requested a total of £476 million reflecting a similar level to 2022 of £418 million. The average request per team was £1.536 million, which was lower than the average request of £1.927 million in 2022.

All-male teams requested a total of £217 million compared to £152 million in 2022, while their average request was £1.027 million compared to an average request of £753,000 in 2022.

Significantly, for the first time in our angel data reporting, all-male teams requested a lower average amount of funding than their all-female counterparts and 30% less than mixed-gender teams.

Figure 12: Amount of funding requested by founders



A drop in decks taken forward for further consideration for female teams

Of the total 763 decks received, 27% (209) passed initial screening. This is similar to 2022's 25%, and down from 30% in 2021.

However, with a significantly higher level of decks received from all-female teams, only 20% passed the initial screening. This is lower than 2022 where 28% of decks from all-female teams went forward for further consideration, and less than half the level that passed screening in 2021 at 41%.

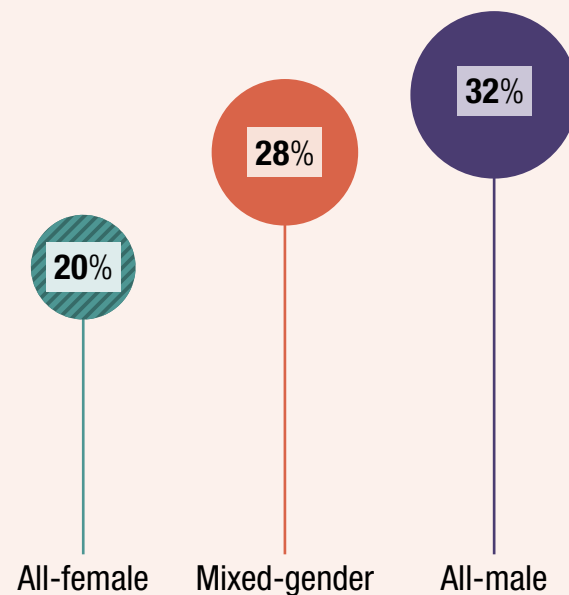
While mixed female-male teams were the highest proportion of decks received (310), they had a 28% success rate in passing initial screening, a clear drop from the 36% of decks going forward in 2022.

It is notable that 32% of all-male teams, while having a lower number of decks submitted (211), achieved the highest level of decks passed through for further consideration. A significant increase from 2022 from 19%.

Of the 53 decks where the founder gender was unclear in the data collection, 30% also passed initial screening.

With less than half of decks (48%) from teams with female founders (all-female teams and mixed-gender teams) going forward for consideration, compared to 64% in 2022, there is a notable and concerning drop in the level of deals from gender-diverse teams going forward for consideration by investors in 2023.

Figure 13: Investment proposals taken forward for further consideration



All-female teams continue to lack access to networks and warm approaches

Potential deals are identified from a range of sources, but frequently referrals made by known or trusted parties, called 'warm leads', are seen as more likely to attract investor attention. This can be especially challenging for many female founders who potentially lack the access to relevant information and to networks, support structures or advisors who can provide warm introductions. Angel group Code signatories are required to develop good practices, including encouraging positive actions to increase access to more diverse founders.

Out of the total 763 decks received:

- 249 (33%) were from 'warm inbound' sources. i.e. trusted referrals
- 493 (65%) were from cold approaches
- only 21 (3%) were from 'outbound' sources, that is, directly sourced or scouted by the investors

This shows that the most significant number of decks received by the angel investors were from cold approaches with only two thirds from sources known to investors.

Of the 189 proposals received from all-female teams:

- 66% were from cold approaches
- only 29% were from known/trusted sources – this is a drop from the 39% warm referrals achieved by all-female teams in 2022
- only 10 (5%) were from outbound sourcing

This clearly demonstrates that very many all-female teams continue to lack access to networks and connections with the investment market, showing a low level of directly sourced investment decks from female teams.

Of the 310 decks received from mixed-gender teams, 35% were from warm or trusted sources. This is slightly higher than 2022, and shows these teams are better networked into investors, 63% were cold approaches and only 2% were from outbound sources.

While 34% of the total 211 decks received from all-male teams were from warm leads, 66% were from cold approaches and 2% from outbound sources.

Warm introductions and outbound sourcing increases chances of success for women founders

It is notable that of the 249 decks received that came with warm introductions, nearly half (45%) passed initial screening, while only 17% of the 493 decks received through cold approaches passed initial screening. Significantly, a much smaller proportion of decks, 3% (21), were identified through direct outbound sourcing, with 67% passing initial screening.

This demonstrates the overall importance for investors in decks received from trusted sources making direct referrals. Also, it shows the benefit of opportunity offered for finding relevant deals through direct sourcing and scouting among new deal flow sources by investors and investor groups. However, this method of deal sourcing remains at a very low level.

Looking at the impact by gender and referral source, we can see that for all-female teams, 28% of decks passed for further consideration were through warm referrals, while only 11% of decks received through cold approaches were taken forward for further consideration by angel investors. In comparison, in 2022 42% of the decks passed through screening were from warm referrals and only 10% of deals from cold approaches passed screening in 2022.

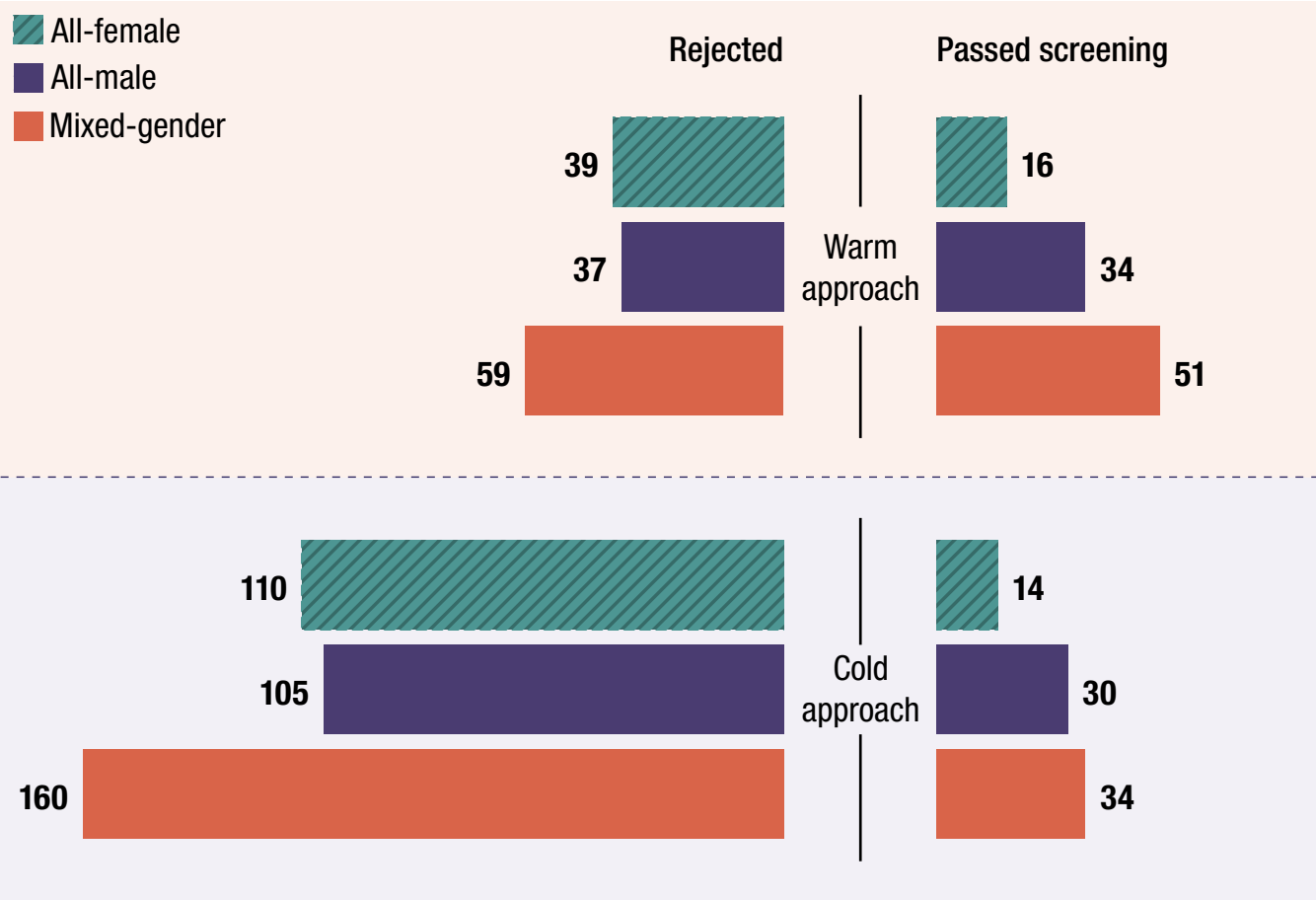
This shows the importance for women founders to have access to networks, connections and relevant intermediaries to achieve warm referrals, which in turn attracts consideration from investors. Only 20% of decks from all women founders were passed through to screening in 2023, compared to 2022 (28%).

Warm approaches for mixed male-female teams were seen as a clear priority for investors, with 47% of warm-referred decks being taken forward, and only 18% of the decks received from cold approaches. This compares with 40% warm referrals and 31% of cold approaches successfully passing screening in 2022.

This further underlines the priority, given in 2023, at a time of continuing economic and financial challenges, to using connections and trusted sources for a direct referral to an Angel group, rather than a cold request for all women founders seeking angel investment.

Decks received from all-male teams (and with the highest level of decks being taken forward for consideration) also showed the value of warm referrals, with 48% success in passing initial consideration, while 22% of decks received from all-male teams through cold approaches passed screening.

Figure 14: Selection outcomes based on Gender and Deal Source



Rebalancing of angel investments for women founders

Of the 209 decks that passed initial screening, 180 deals received investment from 18 Angel group Code signatories that provided full investment data (compared to 190 deals from 17 investors in 2022).

£28 million was invested in 180 deals compared to £54 million invested in 190 deals in 2022, showing a decrease of more than 50% compared to 2022, with only a slightly lower number of deals done.

Of the 180 investments, 60% (109) investments made were in new investment proposals, with 34% (61) in follow-on investments, although 10 rounds were not clear on whether they were new or follow on. This compares to 56% new investments and 44% follow on in 2022, showing a slight shift away from the trend in 2022 when angels increased their follow-on investments. This meant they focused on their own portfolios in challenging economic conditions, although this does not reflect the buoyant market of 2021, when twice as many new investment deals were done than follow on investments.

Notably, there was a significant increase in the proportion of deals done in all-female teams, with 21% of total number of investments compared to 2022 when all women deals were only 15% of total investments. This shows a welcome shift back to 2021 investments which had showed a measurable progress with 21% of investments made in all-female teams in 2021 compared to 13% in our first Code report.

Mixed-gender teams captured 36% of investment deals, showing a clear increase on the 28% of investments made in both 2022 and 2021.

Significantly, male teams received 43% of the total number of investments made compared to 57% of the total number of deals in 2022 and 51% in 2021.

This shows a clear rebalancing of investments in favour of deals with women founders, receiving 57% of the total investments and all-male teams receiving 43%. The opposite was true in 2022, when women captured 43% of the total number of investments and their male counterparts accessed 57% of deals.

However, in terms of the level of total investment, only £2.75 million was invested into all-female teams, with an average of £102,000 per deal, compared to £3.89 million in 2022 with an average of £133,000 per deal.

This reveals a continuing slowing down of progress in access to investment for all-female teams, with only 9.75% of the total amount of risk capital invested by the Angel group signatories going to all-female teams in 2023. This is only a small increase from the downturn of 7.1% of total investment that went to all-female teams in 2022, and still compares very unfavourably with the 21% investment captured by all-female teams in the strong equity market of 2021, and lower than the 11.5% in our first Code report on 2020 data.

Mixed-gender teams received £11.82 million compared to a total of £10.5 million in 2022. This means that 41.8% of total investments in 2023 was captured by mixed-gender teams, which represents a significant increase in the proportion of investment captured in 2022 at 19.4%, and shows an ongoing upward shift from the 23% of total investment in 2021 and 33% of total investment in 2020.

The overall proportion of investment in female founders, combining all-female teams and mixed teams, stands at just over 51.5%. This represents a significant upward shift from the 36.5% in the difficult climate of 2022, and also further progress from the 45% of total investments in women founders in both 2021 and 2020.

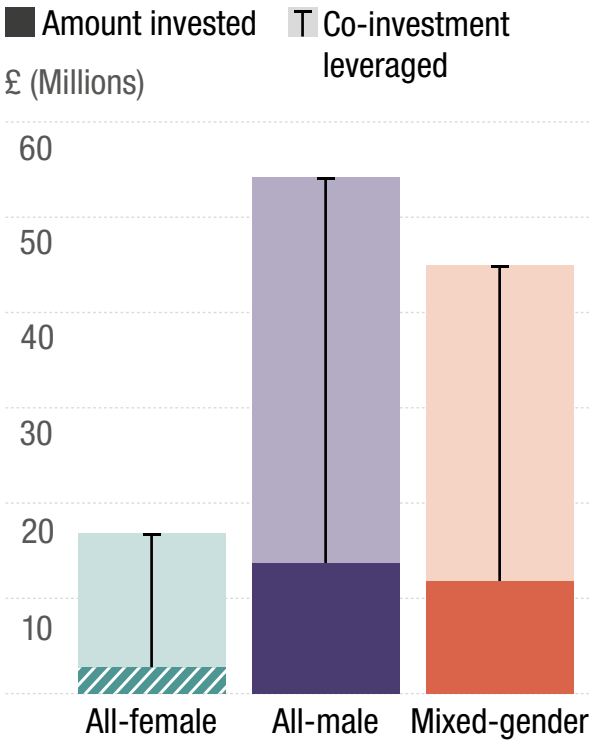
All-male teams attracted £13.71 million in 2023 compared to a £39.85 million total investment in 2022. This represents 48.5% of total amount invested in all-male teams and demonstrates a significant rebalancing from the 73.5% of total investment in all-male teams in 2022, and from the 56% of the total level of investment in 2021 and 2020.

This investment data reveals a significant step in progress for shifting the balance of angel investment to female founders in 2023. Investments in businesses with women founders (both all-female and mixed-gender teams) were, for the first time since these reports were produced, the larger share of both investment in terms of numbers of deals and proportion of investment. For investment in terms of numbers, 57% women founders compares to 43% all-male teams, a total reverse from the gender split of angel investing from 2022 . While in terms of the total proportion of investment deployed, 51.5% of the total equity was invested by the angels in women founder teams, compared to 48.5% in all-male teams. This progress was made against the backdrop of a continuing challenging economic climate during this past year.

Nevertheless, while this represents very positive progress for women founders overall, if we look at the picture for all-female teams, the data reveals mixed progress. In terms of the proportion of deals going to all-female founders, there has been good progress in 2023 with 21% of total deals made in female founders compared to 15% in 2022, and returning to the levels of 2021.

However, there remain clear ongoing challenges in terms of the levels of investment accessed by all-female teams compared with their all-male counterparts, with only 9.75% of total equity deployed. This may be set against a higher proportion (25%) of decks having been received from all-female teams, and with significantly higher levels of investment requested than previous years, but with only 20% of these having passed the initial screening.

Figure 15: Investments made and co-investment leveraged



All-female and mixed-gender teams raise over 50% co-investment

Many angel investment deals include significant levels of co-investment which add to the level of angel investment made by the Angel group or syndicate, and therefore enables the entrepreneur team to achieve the level of investment they are seeking. This also brings access to a more diverse range of investment which can add value to the business. Co-investment can come from other angel investors, VC funds, VCTs, EIS/SEIS funds or crowdfunding. This can also include publicly-backed co-investment funds such as the Regional Angels Programme and the Regional Investment Funds operated by British Private Investment, as well as angel co-investment funds available in specific regions or devolved nations. This can also include grants such as Innovate UK Grants for research, development and innovation, which provide a further source of undiluted co-investment.

To summarise:

- 80% of all deals done by the Angel group signatories included a level of co-investment, compared to 72% in 2022
- Notably, 74% of the reported deals in all-female teams included co-investment – higher than 2022 when 69% deals attracted co-investment.
- a total of £13.64 million was leveraged alongside the £2.76 million invested by the Angel groups, representing a ratio of almost 1:5 additional co-investment, thereby significantly boosting the level of total investment received by many of the all-female teams to a £16.45 million combined total
- 78% of investments in mixed-gender teams attracted co-investment (the same as 2022), with an additional £33.12 million co-investment leveraged alongside the £11.81 million invested by the Angel groups
- this represents a ratio of almost 1:3 which is higher than all-male but lower than leveraged for all-female teams, amounting to £44.93 million combined total

- for all-male teams, 83% of deals leveraged co-investment amounting to an additional £40.46 million leveraged alongside the £13.7 million invested, representing a ratio of 1:3 amounting to £54.16 million combined total

It is significant that while all-female teams are leveraging proportionately higher ratios of co-investment from other sources, compared to all-male and mixed-gender teams, all-male teams raised more than three times the level of co-investment than their all-female counterparts.

However, the total of investment in teams with women founders (all-female teams and mixed-gender teams) was increased to £61.38 million total investment, combining co-investment with the initial investment, which represents 53% of total combined investment raised. On the other hand, the level of combined co-investment with initial investment in all-male teams amounted to £54.16 million, representing 47% of total combined investment raised. This reflects a strong balance of investment in favour of teams with women founders, even accounting for different levels of co-investment.

Increasing numbers of women investors leads to increased investments in mixed teams, but with a higher average amount in mixed-gender and all-male teams

Research has shown that the proportion of women investors in the Angel group directly correlates to the number of investments made in all-female and mixed-gender teams. A more diverse investment base with the Angel groups therefore has a direct impact on investment decision-making. It is also likely to have a direct impact on pipeline as angel investors tend to seek out deal flow from specific trusted channels or sources, so that a higher number of women investors is likely to lead to more warm referrals of female deals.

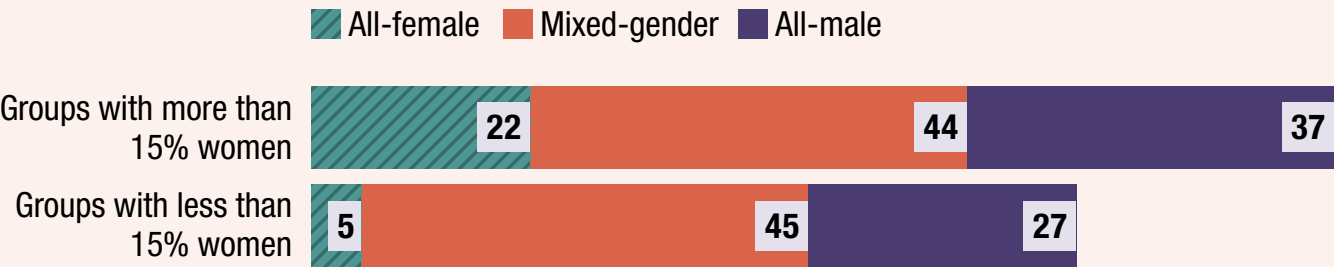
Of the 18 groups who gave full investment data, there were 609 female investors. In 2022, there were 425 female investors among 17 Angel group signatories, which was a similar level to 2021(426).

Of the 18 Angel groups, 11 groups have over 15% women investors, with six groups having over 50% women investors, and 3 have all 100% female investors. This is a higher proportion than the 2022 investor cohort, where seven groups had over 15% women, and three groups had over 50% women, one of which was 100% female.

Nine of the Angel groups giving data have less than 15% female investors compared to 10 in 2022 data cohort. While none of the Angel groups are all-male, 7 groups have over 90% male investors.

Angel groups with over 15% women investor members made 21% of their total investment into all-female teams. This is more than three times the level of investment in all-female teams made by Angel groups, with less than 15% female investors who made only 7% of their total investment in female teams. Also, angel groups with more than 15% of women investors made 36% of their total investment in mixed male-female teams.

Figure 16: Number of investments made based on group's gender split



This means that 57% of all deals by Angel groups with more than 15% women investors were in teams with women founders, while 43% of investment were made in all-male teams.

Angel groups with less than 15% women investors make higher levels, with 58% of their total investments in all-male teams. However, they also made 35% of their investment in mixed male-female teams, which is at a similar level to teams with higher levels of women angels. Therefore, Angel groups with lower levels of female investors made 42% of their total investments in teams with a woman founder.

However, when looking at the average amount of investment accessed per deals done by the 11 Angel groups with more than 15% angel investors, female teams access lower levels than other teams. Average investments were £109,500 compared to £245,500 for mixed-gender teams and £205 million for all-male teams.

The seven Angel groups with less than 15% women angels invested lower amounts per deal, with average level of investment being only £69,000 per deal in all-female teams and £101,000 in mixed-gender teams, with £104,000 in all-male teams.

Figure 17: Amount of investment made based on group's gender split

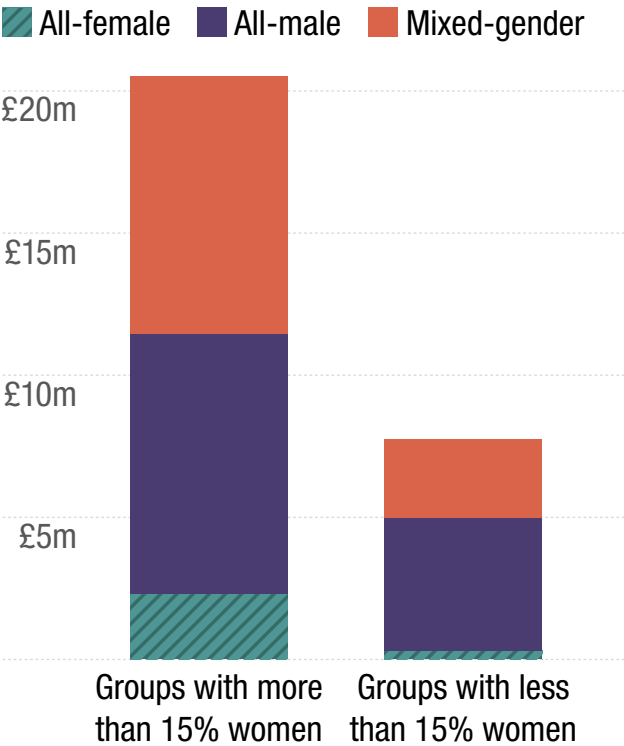
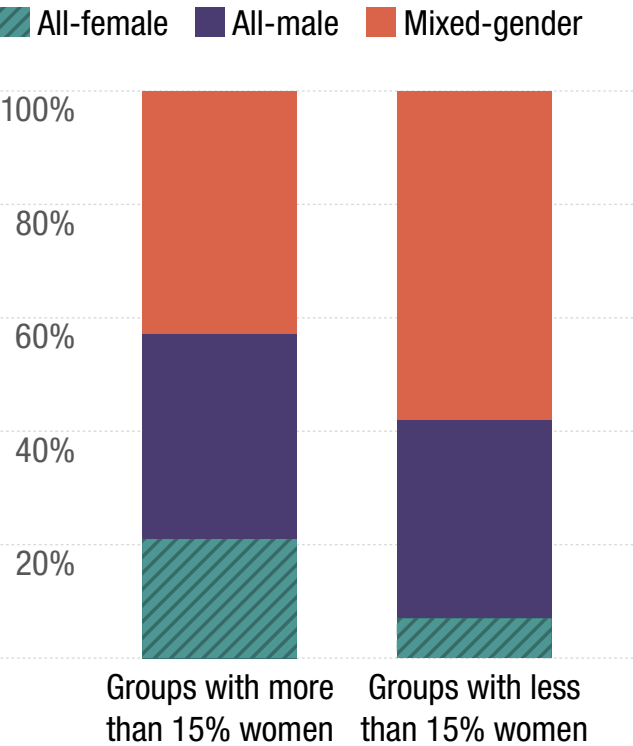


Figure 18: Percentage share of investment made based on group's gender split





Case study: Awaken Angels, Northern Ireland

As four experienced women from Northern Ireland, active in supporting women entrepreneurs, establishing AwakenAngels was driven by a multifaceted set of motivations.

We aimed to address the gender imbalance in angel investing and provide support for women. We pursued this mission through three key pillars:

- education, by demystifying the asset class
- democratisation, by setting an accessible minimum entry point of £2,000
- community-building, uniting individuals committed to reshaping the investment landscape.

We believe that AwakenAngels can have both a social impact, by tackling gender inequality and fostering economic growth, while also offering attractive financial returns. This dual focus makes it a win-win proposition for members seeking both financial success and positive societal change.

In 2020, we launched AwakenHub, a community dedicated to supporting women-led businesses across the island of Ireland. Through AwakenHub, we have cultivated a unique approach to deal flow, where entrepreneurs engage with our community long before they even consider seeking investment. We build strong relationships with these entrepreneurs over time, guiding and supporting them as they refine their businesses. Once an application for investment is submitted, our Deal Leaders review each opportunity, identifying those ready to raise capital.

As the investment journey progresses, our dedicated deal teams provide hands-on support, guiding both investors and entrepreneurs through the due diligence process.

Our investment process is collaborative and transparent, with monthly entrepreneur pitches, community pledges of investment intent, due diligence led by Deal Leaders, and finally, commitments of investment from our community members. Through this holistic approach, we're fostering a dynamic ecosystem where women founders can thrive, and investors can make informed decisions with confidence.

Photo: Awaken Angels pictured: Mary McKenna, Clare McGee, Sinead Crowley, Denise McQuaid



To ensure that both novice and experienced investors feel confident in their decisions, we have developed a comprehensive nine-module training programme. This programme emphasises inclusivity and accessibility, empowering women angel investors to actively participate in the investment process. We also have a community platform where investors access recordings from our pitch events, insightful blogs, and additional resources such as podcasts, reports, and information from thought leaders in the angel investing space.

Since our launch in September, we have made significant strides in building our angel investment network. With two cohorts currently enrolled in our training programme, we are empowering new investors with the knowledge and skills needed to make informed investment decisions. Our efforts have resulted in the closure of our first two investment deals, marking a major milestone for our community. In addition, we have successfully onboarded over 50 new angel investors, demonstrating the growing interest and enthusiasm for our community. We are committed to fostering a vibrant ecosystem where investors can thrive and contribute to the success of promising start-ups. We are excited about the progress we have made so far and look forward to continued growth and success in the future.



Case study: Lune + Wild (MAINstream Angel Investor Network), South West UK

MAINstream is a network of angels established by Michelmores, a full-service law firm established just under five years ago, with offices in Bristol, Cheltenham, Exeter and London. The network was set up because, as a law firm, they were being instructed by entrepreneurs on their business exit (who were realising sizeable financial gains) and, at the other end of the spectrum, by start-ups and scale-ups that were looking for investment. They realised that they were missing an opportunity and denying their clients an opportunity by not connecting one with the other.

MAINstream, as an angel community, is fee free and the network, community and connectivity that it creates is as important as the capital that it deploys. They are proactively trying to recruit more women to the network. For example, they ran an event earlier in the year for female founders only, and to try and recruit more female angels for the benefit of future female founders.

The absence of any fees means that women that fit the criteria to self-certify can join the network without any financial commitment or investment obligation, which is seen as an important benefit for new women investors. Making the decision to become an angel investor can take time, and they do not want to create any more barriers by inhibiting access to a network.

Photo: Lara Rodgers and Nadia Simonds



They have seen the hugely positive impact of having women in the room when female founders pitch to investors

Lune + Wild applied to MAINstream and successfully secured funding to the MAINstream network in 2023. The founders, Nadia and Lara, were on a mission to raise the industry bar for children's nutrition. They recognised a gap in the market for healthy, real baby and children's food to help time-starved working parents. They have developed a fast-growing ecommerce subscription business, providing handmade meals designed in partnership with paediatric dietitians. They have also tapped into the nursery market, and now supply an increasing number of nurseries with their nutritious menus.

Nadia and Lara describe their experience: “We found the experience of pitching to Mainstream Angels really empowering. It was the first angel pitch event that we’d actually done and it was very validating for us to see the response from the room. We came away from that event with clarity on who we were going to be having follow up meetings with and within a matter of weeks we had a couple of investors for us.”

“Our experience in pitching has been that, when we’re explaining Lune and Wild to women investors, they instantly get it perhaps because they are closer to the problem that we’re trying to solve. We also know that over 90% of our customers are women so when we get that opportunity to speak to and pitch to women, it’s really powerful. We’re really grateful for opportunities like Mainstream introducing us to more female angels because it’s very often not the case when we are pitching to investors and with Women angels being under-represented in other angel networks.

“The Lune + Wild customer base is predominantly female. Being able to pitch to an audience that understood the gap that we had identified and the market opportunities that nursery infiltration offered was hugely beneficial when we were looking to raise. We need more female angels who unequivocally see the appeal of businesses like ours”.



Case study: Investing Women Angels, Scotland – “The Echo Effect”

Investing Women Angels (IWA) was the first all-female syndicate in Scotland, investing since 2015, with the sole mission of increasing the number of female investors and in turn the level of investment going to early-stage female led businesses: known as ‘The Echo Effect’. The aim of the syndicate is to make investment accessible to all females, with no minimum investment level required, with a training programme available to help those who are not able to ‘self-certify’ to become eligible.

Through support, education and a community of diverse members, prospective female investors are attracted to the group to learn more about the investment process and to demystify the process. They also have the opportunity to give back through mentoring and NED positions as well as sharing connections and expertise to support female founders in scaling.

IWA is sector agnostic and has invested over £2.3 million in 25 women-led innovating companies, investing in life sciences, including biotech as well as robotics, disruptive software platforms, and green tech companies. What all the portfolio companies have in common is that they are all purpose led, whether that is benefitting the individual, society, or the planet.

Investing Women Angels has made a difference, not just through investment, but also in supporting the female founder through their growth journey, alongside sister organisation, AccelerateHER.

AccelerateHER provides an accelerator, training, international market missions, mentoring, investor connections, and visibility to help high-growth potential female founders scale. TC Biopharm was one of the first companies supported by AccelerateHER when co-founder Angela Scott (the scientist behind Dolly the Sheep) took part in their investment readiness programme.



TCB were subsequently introduced to IWA who were the only Scottish Angel group to invest in the company at a critical stage, and continued to support them through to flotation on NASDAQ – the first and only Scottish HQ company in their sector to do so.

To-date, AccelerateHER has worked with over 7,000 female founders in the UK, and IWA has provided over 700 mentoring sessions to help the founders become investment ready.

Last year, six of the seven investments made by IWA were into AccelerateHER alumni which is a great example of how collaborating together has increased ‘The Echo Effect’.

Photos: Angela Scott and Rhona Campbell

The Code and how to join

The Investing in Women Code is a commitment to support the advancement of women entrepreneurs in the UK by improving their access to the tools, resources and finance they need to achieve their goals.

A diverse and inclusive business ecosystem is good for customers, entrepreneurs, businesses, investors and society. DBT, together with the Code partners and signatory firms, share a commitment to work in partnership to advance female entrepreneurship and thereby make the UK one of the most attractive countries in the world to start and scale a business by advancing female entrepreneurship.

The Code partners are the UK Business Angels Association, the British Private Equity and Venture Capital Association, UK Finance, Responsible Finance and the British Business Bank.

Signatories to the Code make the following commitments.

“ My organisation is committed to a culture of inclusion and to advancing access to capital for women entrepreneurs. My organisation will:

- nominate a member of the senior leadership team (or key individual within my Angel group or network) to be responsible for supporting equality in all my organisation's interactions with women entrepreneurs
- adopt internal practices that aim to improve women entrepreneurs' access to the tools, resources and finance they need to grow their businesses, and review these practices annually
- provide to an industry body designated by DBT a commonly agreed set of data about my organisation's investing or lending activities and about its own staff and leadership team, together with a case study of my organisation's work with a woman entrepreneur, on the understanding that they will collate this data and provide it to DBT on an aggregated and anonymised basis for publication in an annual report

My organisation will make this commitment public.”

New signatories are not required to provide data in their first year.

Organisations are eligible to become Code signatories if they provide debt or equity finance to businesses. Examples include banks and non-bank lenders, LPs, VC funds, private equity firms, angel investors, CDFIs, crowdfunding platforms, and public sector providers.

Organisations may be removed as signatories to the Code if they do not fulfil their obligations. Signatories may also withdraw voluntarily.

DBT welcomes interest in the Investing in Women Code from all eligible organisations. Further information about the Code and an online sign-up form is available on the British Business Bank's website: www.british-business-bank.co.uk/investing-in-women-code

If you would like more information about the Code or would like to become a signatory, please contact: investinginwomencode@beis.gov.uk

Data collection process

The data collection process for compiling the information included in this report is summarised below. A more detailed guidance document is available on request from investinginwomencode@beis.gov.uk

Each year DBT, alongside the Code partners, publishes aggregated data provided by signatories of the Code in an annual report. The data presented in this report covers three types of finance:

- **debt finance** – data is collected from lenders by UK Finance
- **angel investment** – data is collected from Angel groups by the UK Business Angels Association
- **venture and growth capital** – data is collected from firms by the British Business Bank

Future reports will also include chapters on Limited Partners and Community Development Finance Institutions.

Each Code partner collects and collates anonymised data from their signatories. Only the anonymised aggregated data is reviewed by DBT and other Code partners when compiling this report.

Recognising that some organisations may need to amend their internal systems and processes, new signatories are given a one-year grace period on signing the Code. They are then expected to provide the required data for the next reporting cycle. DBT and the Code partners are continuously reviewing what information to collect, and how to present it, for signatories that do not fall into one of the above groups.

New Signatories in the year to 31 March 2024

Banks and non-bank Lenders (4)

BCRS Business Loans
DSL Business Finance Ltd
First Enterprise Loans
Shard Credit Partners

Angel Investors (16)

3 Sisters Ventures Collective
Animal Health Angels
AwakenAngels
Baltic Ventures
Covesta
Female Founders
HB Capital Investments
Juice Ventures
Lifted Ventures Limited
Liverpool City Region Angel Network
Obu Limited
InnovationRCA
Sie Ventures
Tricapital
University of Sussex Business Angels
Women Angels of Wales

Limited Partners (1)

Big Society Capital – now Better Society Capital

Venture and Growth Capital (37)

1818 Venture Capital
Anticus Partners
Augmentum Fintech
Blume Equity
Carbon13 Capital
CPI Enterprises
Crane Venture Partners LLP
Deepbridge Capital
Elbow Beach Capital
Entrepreneur First
Eos
FinTech Growth Fund
Form Ventures
Growthdeck Limited
Haatch
IW Capital
January Ventures
Kinhin Capital
LYVA Labs

N4 Partners
Nine Realms
NoBa Capital
Old College Capital
One Planet Capital
Outward VC
Palatine Private Equity
Pink Brew Studio
Praetura Group
Puma Private Equity
Redrice Ventures
Regenerate Ventures
Relentless Ventures
Sentient Ventures
Spex Capital
Two Magnolias Venture Capital
Volution
Westerly Winds Ltd

An up-to-date list of all Code signatories is available on the British Business Bank's website.³⁶

³⁶ <https://www.british-business-bank.co.uk>

Acknowledgements

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DBT and the Code partners welcome feedback and questions on this report and the future evolution of the Code, which can be sent to [**investinginwomencode@beis.gov.uk**](mailto:investinginwomencode@beis.gov.uk)



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