

Shifting sands

The changing nature of the early stage
venture capital market in the UK

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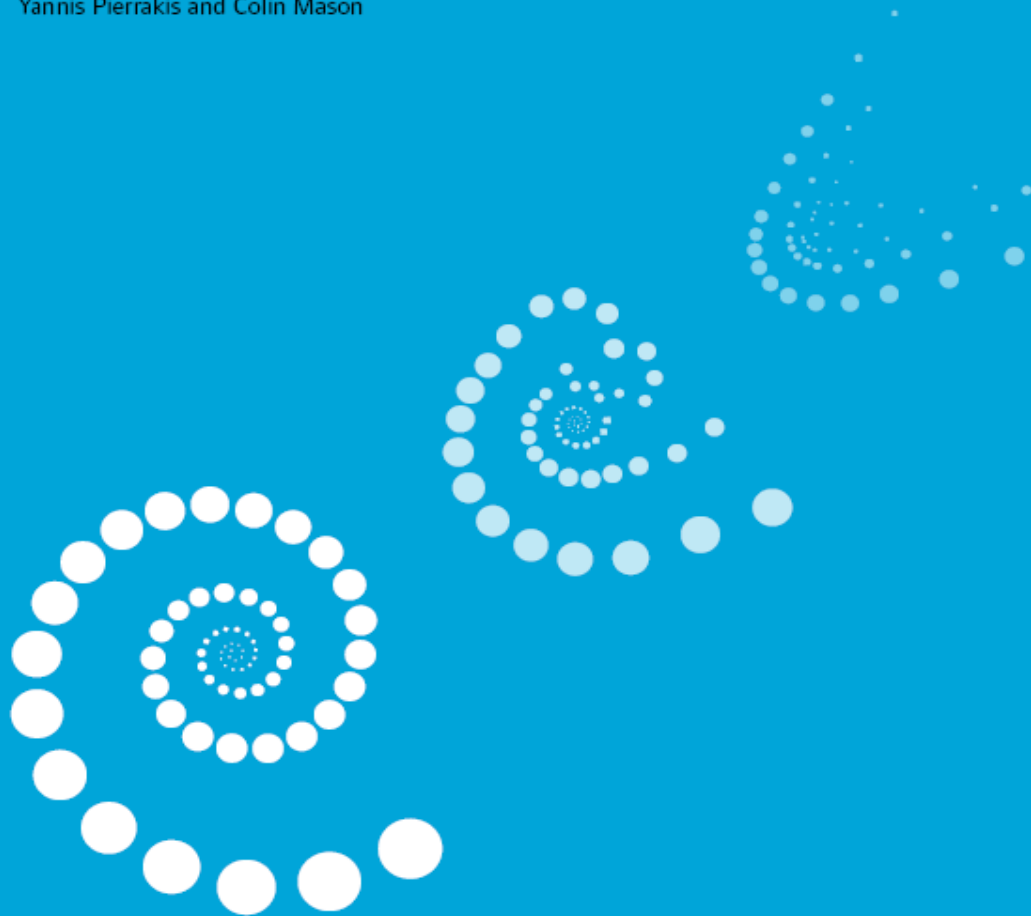
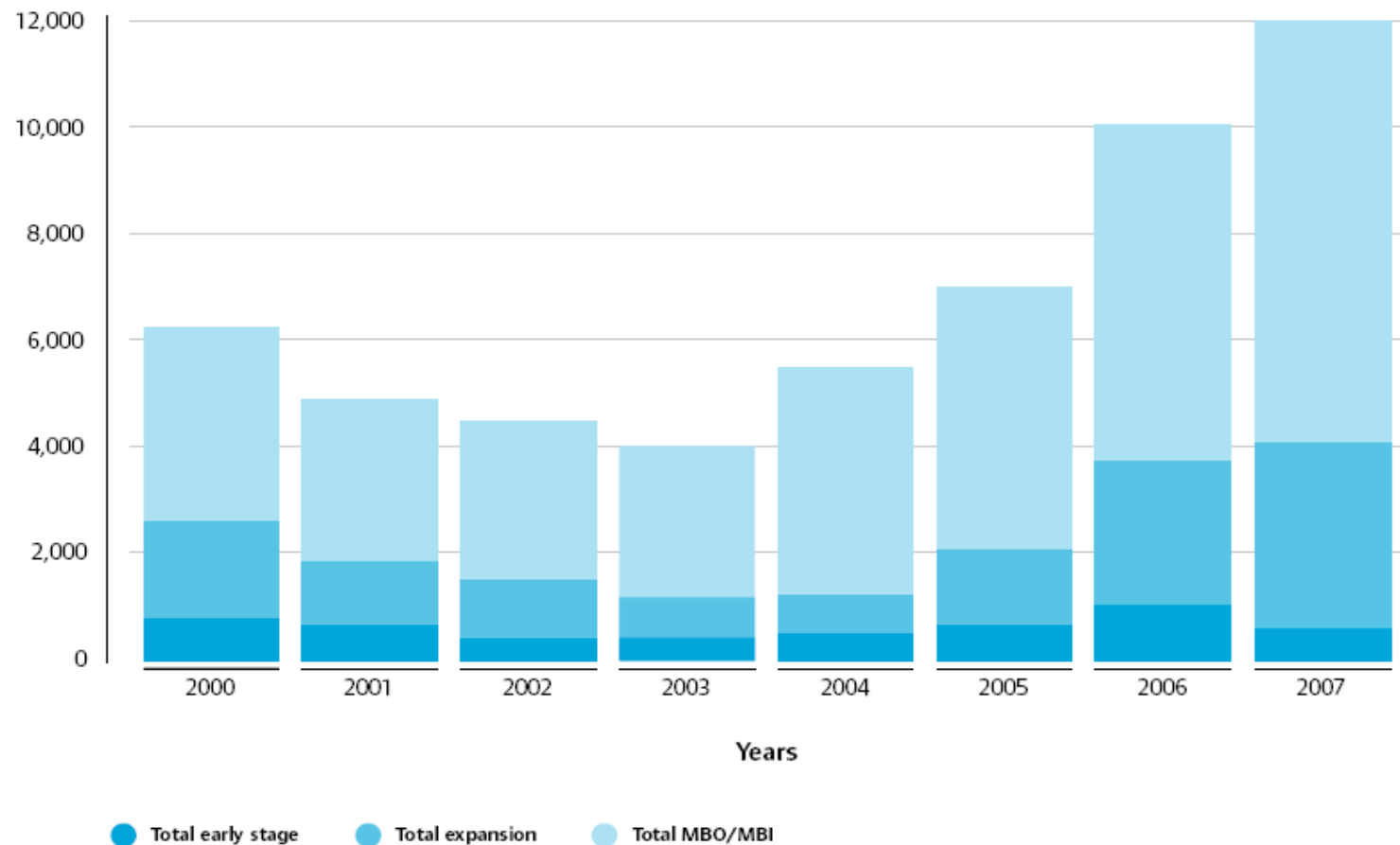
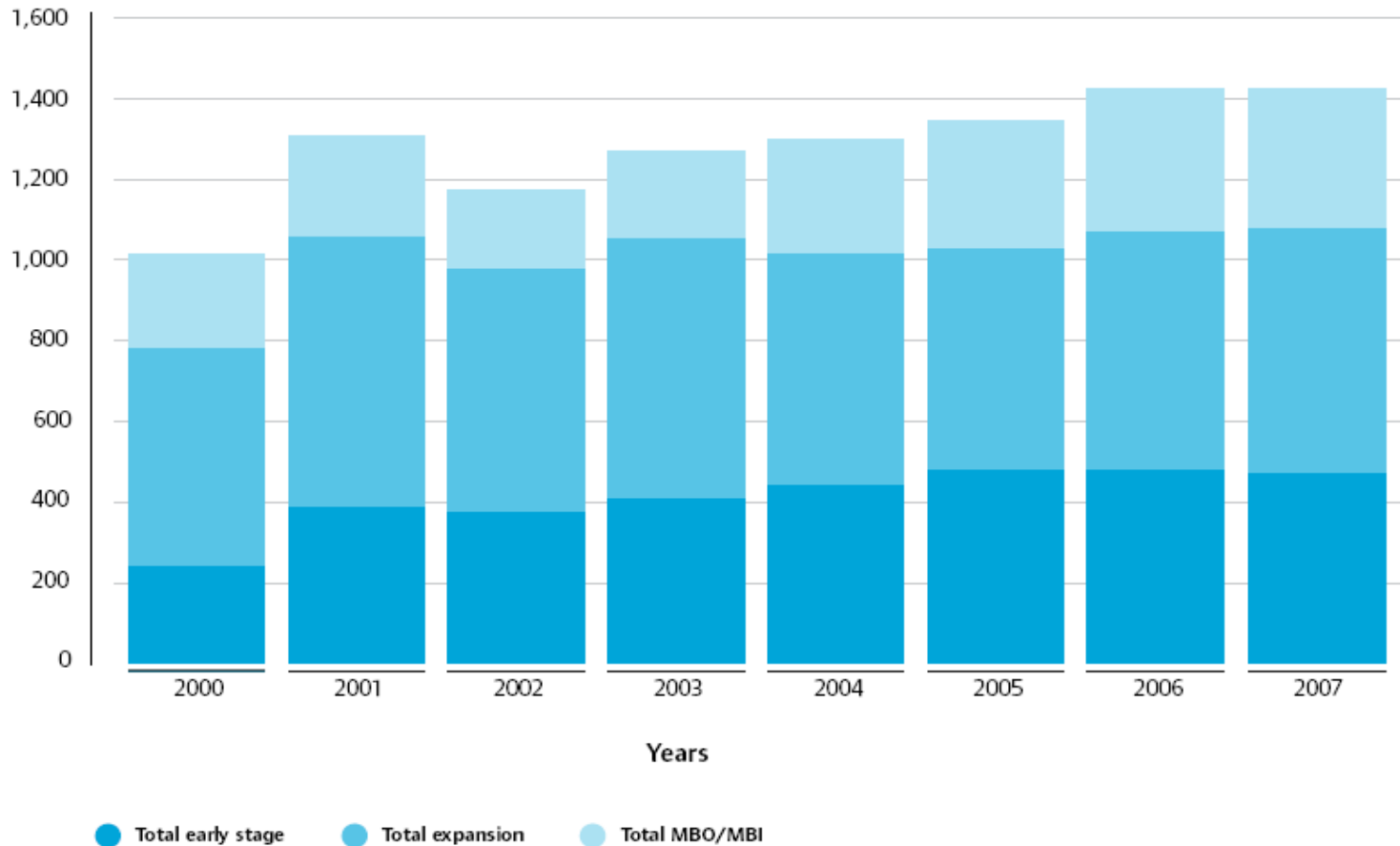


Figure 1: Annual private equity and venture capital investment 2001-2007, by value (£m)



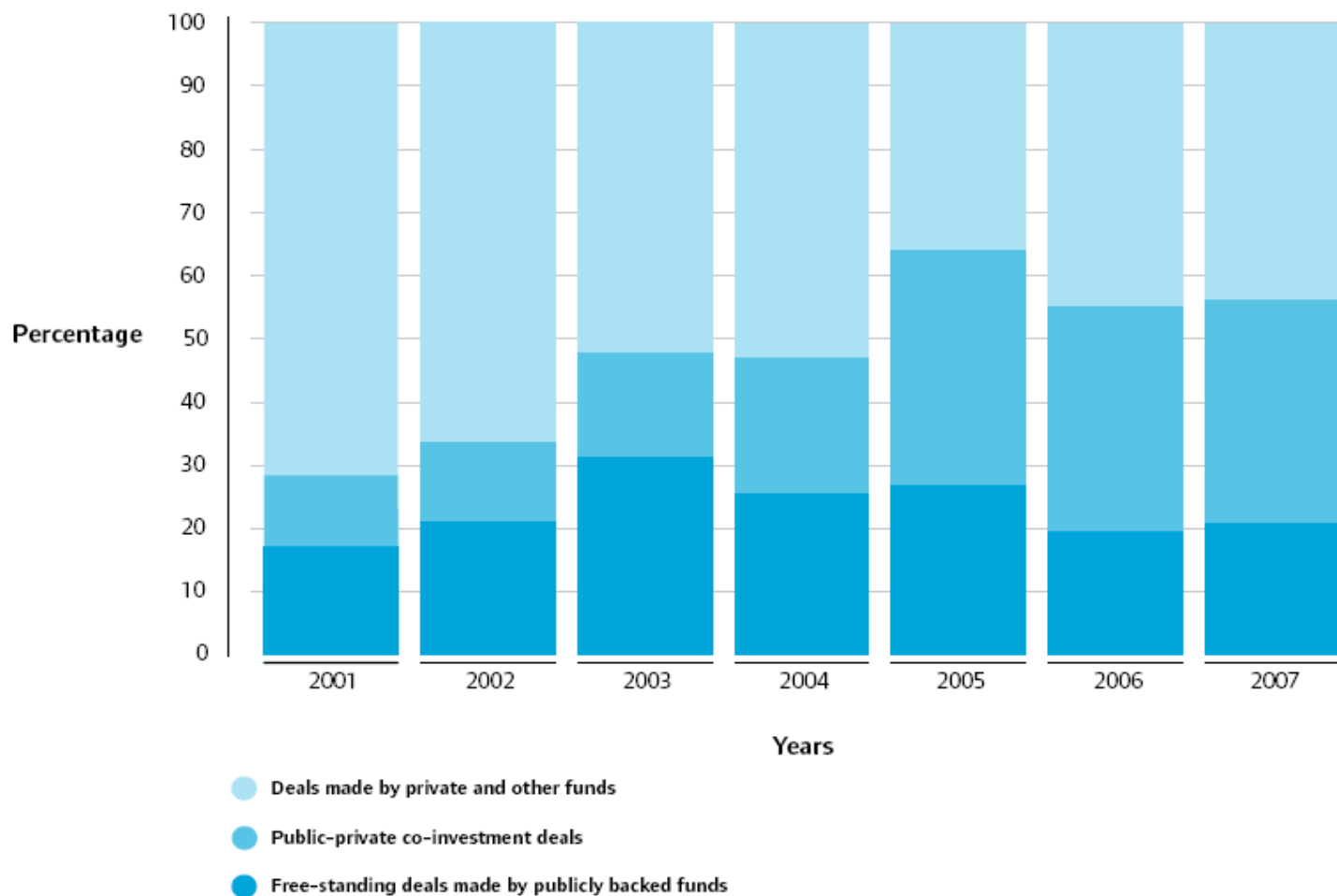
Source: BVCA

Figure 2: Annual private equity and venture capital investment 2001-2007, by number of deals



Source: BVCA

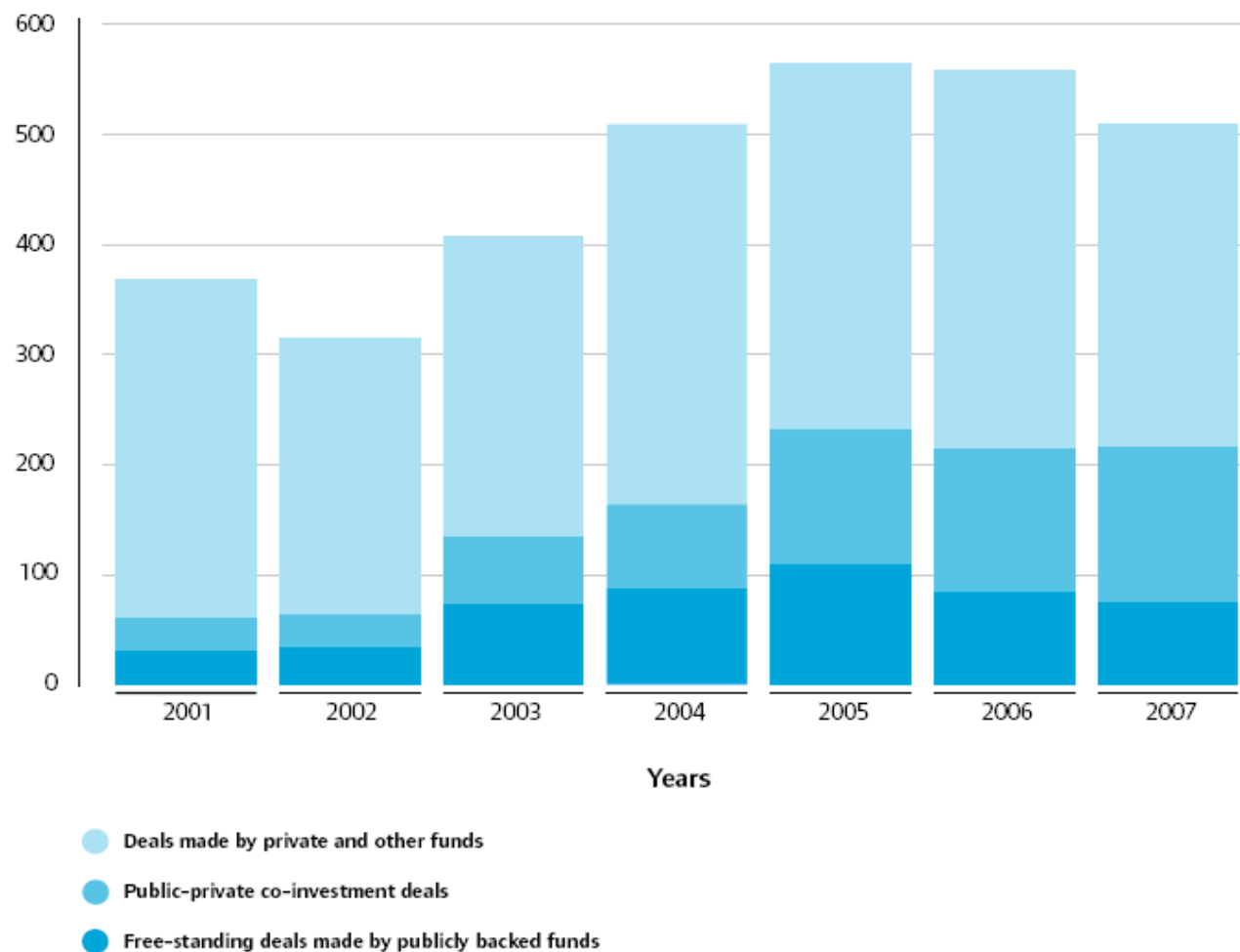
Figure 5: Graph of proportion of early stage* investments deals, 2001-7



* Defined as deals in rounds 1, 2 and 3 and less than £2m

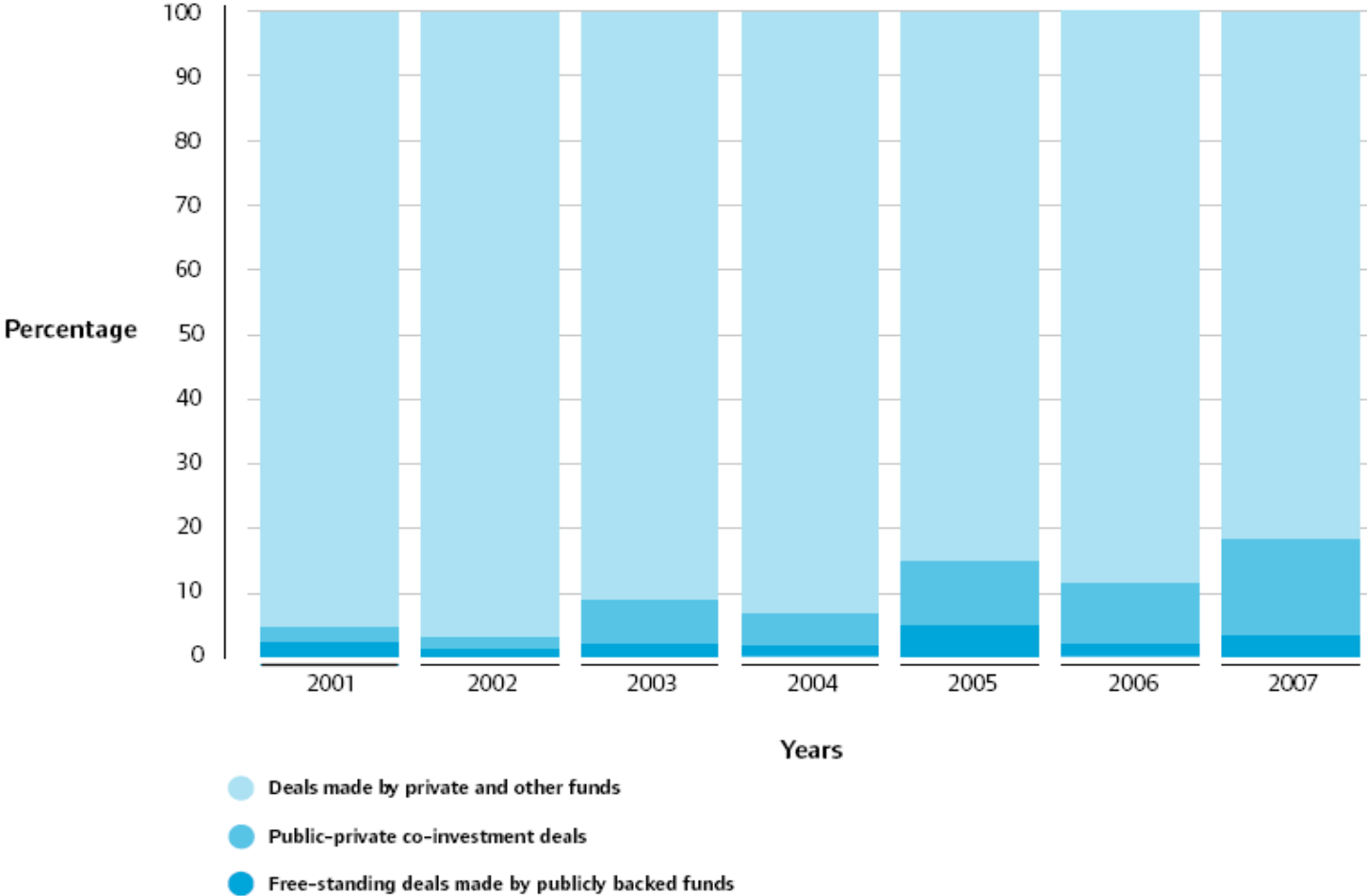
Source: Calculated from Library House database

Figure 6: Number of investment deals, 2000-7



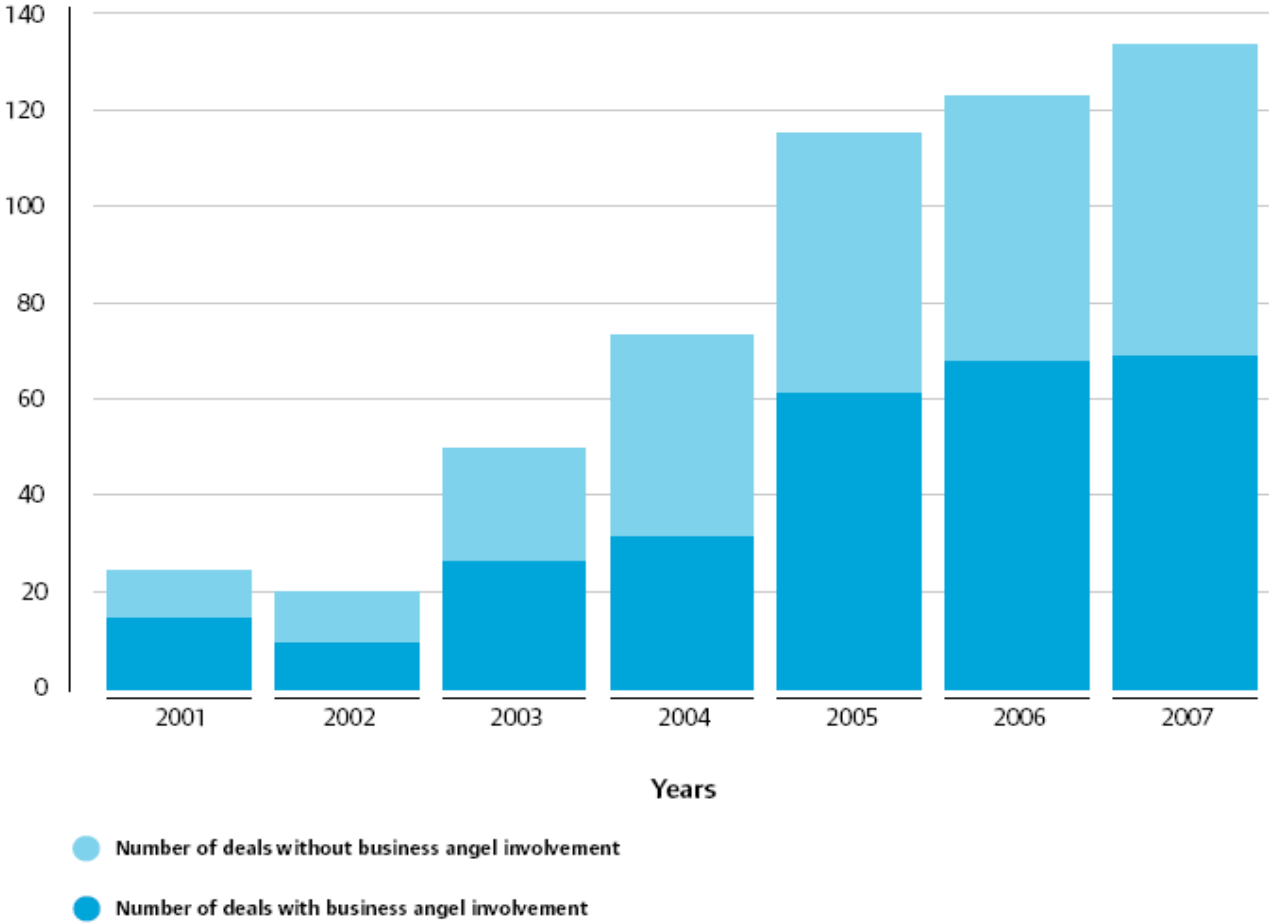
Source: Calculated from Library House database

Figure 7: Proportion of amount invested by type of investor, 2001-7



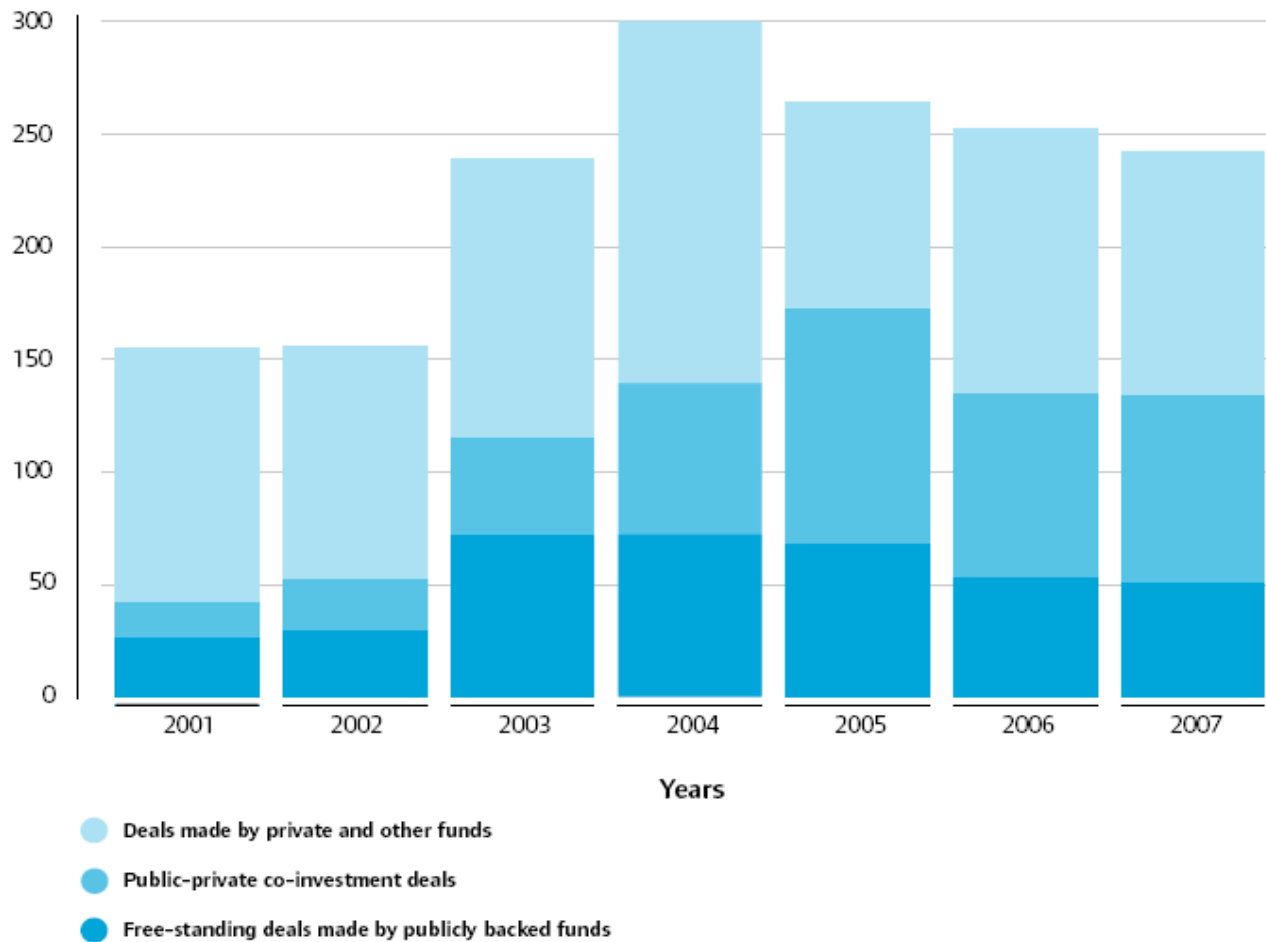
Source: Calculated from Library House database

Figure 8: Number of public-private co-investment deals with business angel involvement, 2001-7



Source: Calculated from Library House database

Figure 9: Number of early stage* investments deals, 2001-7



* Rounds 1, 2 and 3 and less than £2m

Source: Calculated from Library House database

1c. Average amount invested (£000)

Finance stage	2007	2006	2005	2004	2003	2002	2001	2000
Start-up	918	2,167	769	505	395	600	858	1,144
Other early stage	827	1,627	779	712	785	841	1,041	2,062
Total early stage	865	1,892	775	626	616	741	956	1,719

Source: BVCA Report on Investment Activity (various years)

Table 7: Trends in investments by business angels

Year	Total number of investments with private investors	Number of investments with business angel investors	Deals involving business angels as a proportion of all investments involving private sector investors
2001	275	40	15 per cent
2002	227	40	18 per cent
2003	255	46	18 per cent
2004	339	69	20 per cent
2005	320	77	24 per cent
2006	346	101	29 per cent
2007	329	100	30 per cent

Note: Disclosed deals only

Source: Calculated from Library House database

Table 8: Early stage investments* by year and type of investor

Year	Number of Deals					
	Deals made by private and other funds	Public-private investment deals	Free-standing deals made by publicly backed funds	Total	Deals by business angels	Business angels investments as a percentage of all deals with private investors involvement^
2001	111	17	30	158	20	16 per cent
2002	104	19	35	158	26	21 per cent
2003	124	41	76	241	37	22 per cent
2004	155	66	79	300	54	24 per cent
2005	94	101	75	270	57	29 per cent
2006	118	85	56	259	70	34 per cent
2007	106	88	53	247	79	41 per cent

* Rounds 1, 2 and 3 and less than £2m

^ Deals made by private and other funds and public-private co-investment deals

Source: Calculated from Library House database