

# RACE<sup>TO</sup>SCALE

**Crowdfinders today launches Race to Scale, a £100 million funding drive dedicated solely to Britain's scaling businesses.**

**Launched in partnership with the UKBAA, Seedrs, SyndicateRoom, Smith & Williamson, Envestors, Crowdcube, and international crowdfunding partner Invesdor – the nationwide call for SME entries goes live today.**

- The annual £100 million funding drive is comprised of equity and debt finance sourced throughout 2016 via private equity firm IW Capital
- Nationwide call for UK SMEs to submit proposals launches today, granting promising scaling businesses – post a successful pitch – access to a share of £100 million in development finance
- Each successful SME will receive between £100,000 and £5 million per investment/loan
- Selected SMEs will live pitch to a room of 500+ active angel and high-net-worth investors at Crowdfinders' live crowdfunding event – held 21 April – at the Royal Institution, Mayfair
- Forming the largest industry partnership of its kind, Race to Scale partners include Seedrs, SyndicateRoom, the UKBAA, Money&Co., Crowstacker, Crowdcube, Envestors, Smith & Williamson and Invesdor
- 57% of London investors would consider investing in SMEs in the next five years, leading to Race to Scale's first London-based event
- National research discovers that more than a third (34%) of UK investors with over £100,000 in investments would consider investing in SMEs in the next five years but do not have the knowledge to do so – equating to £126 billion in untapped investor finance
- Race to Scale has been launched in partnership with the UKBAA and its first Angel Investing Accreditation programme that educates investors on SME investment

Crowdfinders has today launched the first in an annual £100 million funding drive, open solely to UK SMEs that require scaling finance. Titled Race to Scale, the initiative is in response to the vast £1 billion funding gap consuming [nearly half of UK SMEs](#) a year. Launched in partnership with private equity firm IW Capital, the £100 million in development capital is comprised in full by debt and equity finance. Race to Scale is not open to start-ups who require first round financial backing, instead the initiative applies exclusively to established small to mid-sized enterprises that

# RACE<sup>TO</sup>SCALE

are proven in concept and require capital to scale. Each successful SME to submit a proposal will qualify for an investment or loan ranging between £100,000 and £5 million in value. The successful entrants that respond to today's sector-agnostic national call for entries will subsequently be asked to pitch to a room of 500+ angel and private investors across a series of Crowdfinders' live events; the first of which for 2016 is to be held on 21 April at The Royal Institution, Mayfair. Crowdfinders' last live pitch event – held on 15 October 2015 – secured £1.9 million in development finance post four hours of live pitching. Successful SMEs from the October iteration included canine sharing community BorrowMyDoggy – amongst other tier one scale-ups.

The success of Crowdfinders Live in 2015 has inspired the Race to Scale initiative to manifest across four quarterly events in 2016, each of which will enable established businesses in the second stage and upwards of their progression to directly pitch and connect with over 500 angel and private investors from across the UK. The first event – taking place on 21 April at the Royal Institution, Mayfair – will include keynote speakers and panel guests; Lord Bilimoria, Founder of Cobra Beer; Gonçalo de Vasconcelos, Co-founder and CEO of SyndicateRoom; Luke Lang, Co-founder and CMO of Crowdcube; and Mark Wright, winner of the Apprentice 2014.

The initiative has been launched in association with the industry's largest partner network for a funding initiative of this scale:

- **Seedrs**
- **SyndicateRoom**
- **UKBAA**
- **Crowdcube**
- **Smith & Williamson**
- **Invesdor – Crowdfinders' international partner**
- **IW Capital**
- **Angels Den**
- **EISA**
- **Investors**
- **Growthdeck**
- **Toucan**
- **London Launch**
- **ifour**
- **Crowdstacker**
- **Money&Co.**

# RACE TO SCALE

Despite overwhelming confidence in the UK's small to mid-sized enterprises, only 9% of UK investors would invest in SMEs and feel informed enough to act on their financial intentions. Acknowledging the necessity of greater investor education, Race to Scale is supported by Jenny Tooth OBE, CEO of the UKBAA. In March this year, the UKBAA launched the first Angel Investing Accreditation – a new official qualification to promote effective investment into Britain's SMEs. Recognised by the Chartered Institute of Securities and Investment (CISI) and the SFEDI – the standards body for enterprise and entrepreneurship – the accreditation is the first quality-controlled angel training that will validate investors and demonstrate their knowledge and expertise. The live pitch event, on 21 April, will also serve as a source of vital education for UK investors who wish to understand the SME investment landscape further, with dedicated knowledge sharing plus educational presence from the UKBAA.

Crowdfunders has commissioned national research to support Race to Scale. Key findings from the research include:

- Over a third (34%) of UK investors with more than £100,000 in investments would invest in UK SMEs but do not have the knowledge to do so – this equates to £126 billion of potential private investment that remains untapped
- Only 9% of UK investors would invest in SMEs and have the knowledge to do so
- 71% of investors with over £40,000 worth of investments say they are confident in SMEs' abilities to drive economic growth
- 63% of UK investors with an investment value between £70,000 and £100,000 would consider investing in SMEs in the next five years
- 57% of investors in London would consider investing in SMEs in the next five years – representing the highest appetite for SME investment in a regional comparison

**Jenny Tooth OBE, CEO of the UKBAA said:** *“As the trade body for angel and early stage investing across the UK, we are aware that there remains a huge untapped amount of financial capacity to invest in growth oriented small businesses. We are delighted to support the Race to Scale initiative and enable investors to access our new nationally validated programme of investor education and accreditation. This will enable investors to gain the knowledge and skills they need to make effective decisions about which businesses to back and ensure that we can effectively mobilise this capital to support great growth businesses in Britain.”*

# RACE<sup>TO</sup>SCALE

**Luke Davis, Chairman and Co-founder of Crowdfinders, said:** *“It’s really reassuring to see the appetite that investors have for British business and the confidence they place in SME progression, but the lack of available information is something that could significantly obstruct small and medium businesses from scaling up.*

*“The scale-up phase is notoriously difficult to get right but with greater access to funds and targeted mentorship, we could witness more business success stories – something I’m keen to see happen across the UK.”*

**Lasse Mäkelä, CEO of Invesdor, Crowdfinders’ international crowdfunding partner, said:** *“As an international, EEA-wide licensed crowdfunding player we are thrilled to be included as the international partner of Race to Scale. Many British SMEs have vast international networks that they would like to convert into investors, and many of the businesses can also significantly benefit from the international visibility. We are more than happy to help them with both.”*

**ENDS**

## **Notes to Editors**

### **About Crowdfinders**

Crowdfinders produces international events bringing together the best of British SME talent, with a collective of prominent international high-net-worth and angel investors. The events reintroduce the live pitch element emphasising the value of a person-led pitch when used alongside the phenomenon that is crowdfunding.

For further enquiries please contact:

Tatiana Withanage: [Tatiana@mouhtomouht.co.uk](mailto:Tatiana@mouhtomouht.co.uk)

P: +44 (0)20 7502 8239

### **About the UKBAA**

UK Business Angels Association is the national trade body for angel and early stage investing across the UK, working with over 150,000 investors. Its members are angel groups and syndicates; individual angels; early stage VCs; equity crowdfunding platforms; accelerators and incubators; and professional intermediaries.

UKBAA has a number of roles:

# RACE<sup>TO</sup>SCALE

- Connects and builds the angel ecosystem working with key players across the UK regions
- Acts as a voice for angel investing to government and stakeholders
- Provides market intelligence and data on investments
- Connects investors to quality deal flow, including the first UK wide investor Deal Share platform
- Setting quality standards and supporting professionalism in angel investing

For further enquiries please contact:

Noelle Baquiche: [Noelle.baquiche@ukbaa.org.uk](mailto:Noelle.baquiche@ukbaa.org.uk)

P: +44 (0)20 7492 0490

## **About Smith & Williamson**

### **Smith & Williamson LLP**

Regulated by the Institute of Chartered Accountants in England and Wales for a range of investment business activities. A member of Nexia International.

## **About the Research**

The omnibus sample size for the research was 2,003 UK adults. The sample is nationally representative of the UK adult population as the data is weighted to known UK nationally representative profiles for gender, age, region, working status and social grade. This ensures that the sample is an accurate reflection of the UK population.