VCTA
Venture Capital Trust Association

30 YEARS OF VCTs

THE CHANGING FACES OF VCTS

30 YEARS OF VCTS

1994

VCT scheme announced by Chancellor Ken Clarke on 29 November 1994

1995

Murray VCT becomes first to issue shares to investors

2000

Funds raised by VCTs since inception pass £1bn

2016

Foundation of the Venture Capital Trust Association

2022

VCTs achieve record year for deployment, investing £705m

2024

VCTs mark 30th anniversary of the launch of the scheme

VCTS TODAY

£6.5BN+
Funds under management

1,000+
VCT-backed businesses

106,000+
Jobs supported by VCTs

PROVIDING PATIENT CAPITAL

£3.6BN
Invested by VCTA members between 2016-2023

1,600
VCT investments made since 2015

£506M
Invested by VCTs in 2023

DRIVING GROWTH

£21.8BN
Revenues delivered by VCTA-backed companies in the last financial year

3.5X
Increase in sales of VCT-backed companies between 2018-2023

+54%
Growth in workforce of VCTA-backed companies between 2021-2023

SUPPORTING UK PLC

£5.5BN
Export sales by VCTA-backed businesses in 2023

+89%
Growth in export sales of VCTA portfolio companies from 2021-2023

£274M
Investment in R&D by VCTA-backed companies in 2023

FOREWORD

Chris Lewis Chair, VCTA

The UK is one of a handful of globally significant hubs for venture capital today. Funding for the nation's high-growth start-ups is projected to have been close to £14bn in 2024, placing the country behind only the USA and China as destinations for venture investment.

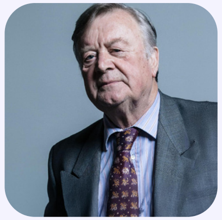
The groundwork for this thriving ecosystem was laid on 29 November 1994, when Chancellor Ken Clarke fired the starting gun on the creation of the Venture Capital Trust (VCT) scheme. Looking back to that critical moment for UK ventures, the success that we enjoy today was by no means guaranteed.

The country's venture capital market was fledgling at best – industry data estimates that there was only £76m of early-stage investment in the UK in 1994. And yet, the Chancellor was willing to place a bet on the ambition, innovation, and entrepreneurialism of the UK.

In the 30 years that have followed, this bet has paid off. VCTs have acted as the bedrock for the UK's venture capital ecosystem, fostering the job creation, innovation, and growth that Lord Clarke's scheme was intended to deliver. VCTs collectively manage more than £6.5bn, spanning a current portfolio of more than 1,000 start-ups and scale-ups, which together support more than 100,000 jobs.

And we are not done yet. One of the unique strengths of VCTs is their capacity to adapt and evolve. As this report highlights, the VCT industry is fostering a new generation of talent and technology, and we have a real opportunity to futureproof the UK's status as a world-leading hub for venture capital.

I would like to thank the members of the Venture Capital Trust Association for their ongoing support, and their contributions to this report. Our membership also thanks Lord Clarke for agreeing to become honorary President of the VCT Association. Together with Lord Clarke, we shall continue working towards a vibrant future for the UK venture capital community.



Lord Clarke of Nottingham
President, VCTA

When I stood at the despatch box in 1994 to deliver my Budget, it was clear to me that the UK had a tremendous opportunity to build a thriving venture capital industry. In turn, this network of investors would finance the future growth and prosperity of entrepreneurial businesses.

As I noted in my speech, "a flourishing venture capital industry plays a key role in promoting job creation, innovation and growth" and I was determined to ensure that we delivered on our potential as a nation of entrepreneurs and investors.

The VCT scheme was a new approach to unlocking this potential. We had a growing population of ambitious risk-takers seeking to build new ventures. We also had untapped pools of capital that could provide the funding for growth and innovation. Bringing them together with a careful balance of incentives and regulations was the objective.

I felt then that VCTs could plug a a vital gap in our enterprise economy by encouraging more people to become venture capitalists. I think the three decades that have followed have confirmed this belief. Tens of thousands of individual investors have backed the ambition and potential of entrepreneurs, balancing risk and reward to drive forward the enterprise economy.

It has not been a straight line to success. The industry has weathered the dotcom bubble and the global financial crisis. The framework that we put in place – partnering tax incentives with risk capital in a model that prioritised robust governance and diversification – has stood the test of time and enabled the UK to become a world-leading centre for venture capital investment.

And this is not simply about past successes. The industry is moving forward at pace, backing hundreds of new businesses each year, ensuring the UK economy adapts to new challenges and new opportunities, and continuing to deliver on my original belief that VCTs can foster the job creation, innovation, and growth that our country will always need.

OUR GOALS FOR THE FUTURE

We have identified three key areas that could expand the impact of VCTs.

FUNDING LIMITS

Increasing VCT annual and lifetime funding limits in line with inflation, would enable more ambitious entrepreneurs across the UK to grow companies faster.

AGE LIMITS

Raising age limits on VCT eligibility would enable a larger population of research-intensive and regional businesses to raise funding and scale up.

FEMALE FOUNDERS

The VCTA has launched a dedicated working group to contribute to efforts to tackle the systemic shortfall of investment in female founders.

THREE DECADES OF IMPACT AND GROWTH

The history of VCTs has been one of progress and evolution. In the year that followed Lord Clarke's announcement of the scheme, the first VCTs to launch included Murray VCT, Baronsmead VCT and Northern Venture Trust. In the first full tax year from April 1995 to April 1996, the VCT industry raised a total of £160m from investors across the UK.

Today, VCTs manage more than £6.5bn, with portfolios spanning more than 1,000 businesses nationwide, who in turn employ more than 100,000 people. The journey from then until now has not, however, been in a straight line. The industry has experienced the highs and lows of market cycles, from the dotcom crash to the global financial crisis and the COVID-19 pandemic.

TOTAL AMOUNT INVESTED BY VCTS ANNUALLY (£M)

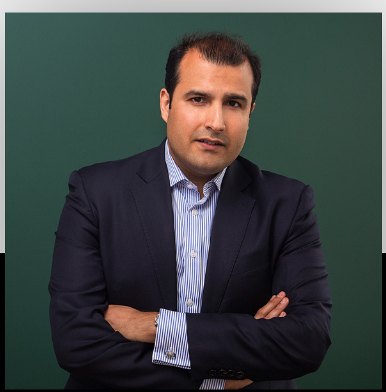
2019	£396.2M
2020	£373.4M
2021	£613.4M
2022	£664.1M
2023	£506.0M

POWERING PATIENT CAPITAL

The longevity of VCTs has been underpinned by a unique framework that brings together private and public investment to provide the patient capital required to scale innovative businesses. VCTs are structured as publicly listed companies that raise money from individual investors. These investors – provided they meet certain criteria – receive tax reliefs, including 30 per cent upfront income tax relief, tax free dividends, and no capital gains tax upon the sale of shares.

Crucially, investors only receive these reliefs if they hold their investment for at least five years. This incentive structure fosters a model of patient capital, with investors focused on the long-term value that can be driven through VCTs. Coupled with a regulatory framework that has evolved over time to ensure VCT funds are invested into early-stage, innovative companies, and the scheme offers the foundations for a thriving start-up ecosystem in the UK.

This framework has also ensured that VCTs have provided a resilient source of funding during periods of political and economic turbulence, when many traditional venture capital investors have withdrawn from the market. In 2023, as the global economy adjusted to a period marked by high inflation and rising interest rates, overall venture capital investment in the UK fell by 46 per cent. In contrast, VCT funding fell by only 28 per cent, providing more than £500m to growing companies that would have otherwise struggled to weather the economic storm.



QUANTEXA

Sector
Software

Headcount
800+

Total VCT investment
£10.0m

Backed by
Albion VC

Founded
2016

Headquarters
London

Quantexa is a decision intelligence platform that delivers network analytics at scale in real time. Albion led its first round of funding in 2017 alongside HSBC, one year after the company was founded.

The founding team at Quantexa had unrivalled expertise in building world leading network analytics and entity resolution capabilities, initially using this to tackle financial crime. Quantexa signed its first software licence a year after closing its first external investment and has grown rapidly ever since: building out its product suite, expanding into new territories, onboarding partners and branching out into new sectors, all while continuing to recruit world class talent in every function.

Today with a team of over 800 people across 16 global offices and a wide range of clients that include some of the largest banks, insurers, government agencies and telecoms, Quantexa has passed the $100m annual reccurring revenue mark to become a tech 'centaur'. It has been recognised as one of the UK's 'Best Workplaces for Development™ 2024' and has signed partnership agreements with Microsoft and Databricks. Albion is proud to have supported and invested in the company in every round, including the most recent Series E.

DEPOP

Sector
Fashion retail

Headcount
400 (at exit)

Total VCT investment
£8.8m

Backed by
Octopus

Founded
2011

Headquarters
London

Depop is a fashion resale app – a social marketplace where people buy, sell and discover unique fashion. Since its launch in 2011, Depop has seen enormous growth globally and reached over 35 million users in 2024. Octopus Ventures, part of Octopus Investments, first met Depop in 2016 and backed the business in 2018, 2019 and 2020. They helped the company expand their engineering and data science teams, as well as investing in new technology.

Through its then US office, the Octopus Ventures team supported Depop in its entry into the US market, as well as supporting Maria Raga, Depop's then CEO, in growing the management team. After working closely with the company for four years, the team helped secure an exit worth $1.6 billion to e-commerce giant Etsy in 2021.

UNLOCKING START-UP GROWTH

VCTs are managed by a network of experienced investment firms, whose offices span cities and regions throughout the UK. This reach and expertise – partnered with patient capital – have proved a robust model for backing and scaling high-growth companies.

The funding provided by VCTs enables early-stage companies to expand their teams, increase their sales and marketing budgets, and invest in research and development. Each of these levers is critical to the success of individual start-ups and the broader economy. Jobs are created, revenues are increased, and new technologies are developed.

Data captured by the VCTA highlights the impact of funding on each of these areas. Over the last financial year, VCTA-backed businesses delivered £21.8bn in revenues and invested £274m in research and development. Looking at the cohort of businesses first backed by VCTs in 2018, these companies collectively increased sales from £130m at the point of investment to £455m in 2023, an increase of 350 per cent.

DELIVERING LONG-TERM IMPACT

For the entrepreneurs driving this growth, the financial backing of VCTs and the strategic input of the investors that manage them can be a gamechanger. Guy Battle is CEO and founder of Social Value Portal, a platform for measuring and maximising social impact that has received funding from VCTs managed by Beringea and Mercia.

He comments: "it is no exaggeration to say that without the vision and innovation that the VCT sector brings to the UK, many start-ups would be practically dead on arrival. Because of the ability for VCT funding to support startups like Social Value Portal, we have been able to grow our business from 20 people to 120 within just a few years."

Scaling teams, growing sales, and building new products are essential parts of the scale-up journey supported by VCTs. Over time, fledgling businesses are able to establish themselves as international success stories: companies backed by VCTA members generate more than £5.5bn in exports in a vital boost to the UK's global reach.

The companies highlighted in this chapter – Depop, Quantexa, and Matillion – demonstrate the substantial value that can be driven through this model. For the likes of Quantexa and Matillion, which remain part of the portfolios of Albion and YFM respectively, the growth journey continues having already achieved multibillion-dollar valuations.

For Depop, backed by Octopus' Titan VCT through to its $1.6bn acquisition by Etsy, the returns delivered to VCT shareholders, industry backers, and employees provide an opportunity to reinvest in the growth of UK start-ups. This virtuous cycle of investment, growth, and returns highlights the long-term economic impact that can be achieved through VCTs.

MATILLION

Sector
Data

Headcount
500+

Total VCT investment
£5.2m

Backed by
YFM Equity Partners

Founded
2010

Headquarters
Manchester & Denver

YFM Equity Partners first backed Matillion, a cloud data integration software company founded in Manchester and now co-located in Denver, in 2016. In September 2021, Matillion achieved unicorn status with a valuation of $1.5 billion, driven by the growing demand for cloud-native solutions and companies' increasing focus on leveraging internal data.

YFM's early-stage support played a pivotal role in unlocking the company's subsequent $305 million in global funding, enabling Matillion to scale its team, expand internationally, and enhance its product suite.

Matillion is a global leader in the cloud data integration space, serving a diverse customer base and empowering organisations to modernise their data ecosystems and unlock the full value of their data. This partnership highlights YFM's commitment to fostering high-growth businesses that deliver both regional and global impact. By supporting Matillion in its formative years, YFM helped lay the foundation for its transformation into a global powerhouse. Matillion's product has evolved and now helps any company's data team move, transform and automate data faster, regardless of their coding capabilities.

EMERGING INDUSTRIES

The UK is a hotbed of innovation. Academic institutions across every corner of the country are incubating the new technologies that could define the next decade of economic progress. Our status as a global leader in finance, professional services, media, and culture similarly provide the seeds of a technological transformation.

These innovations are providing a robust pipeline of investment opportunities for VCTs across the country, some of whom feature in this chapter.

ENDOMAG

Sector **Healthcare devices**

Headcount **c.150**

Founded **2007**

Total VCT investment **£2.1m**

Backed by **Molten Ventures**

Headquarters **Cambridge**

Endomag is a UK-based breast cancer treatment device which was part of the Molten Ventures VCT portfolio until recently, when it was acquired in July 2024 by NASDAQ-listed Hologic Inc. The sale returned £8.3m to the VCT at a multiple of 3.9x cost, the deal valued Endomag at approximately $310 million. Although now part of Hologic, Endomag remains headquartered in Cambridge.

The VCT first invested in Endomag in 2018 and since then the company has grown its revenue fourfold. Endomag's platform has been installed in over 1,350 hospitals in over 45 countries globally, and more than 500,000 women have received a better standard of breast cancer surgery with Endomag's technologies. The company received many accolades on its journey and in May 2024 it was awarded the King's Award for Enterprise.

PREVISICO

Sector **Climatetech**

Headcount **c.50**

Founded **2019**

Total VCT investment **£1.5m**

Backed by **Foresight**

Headquarters **Loughborough**

Foresight invested £1.5 million into Previsico, a Loughborough-based company specialising in flood forecasting and warning systems, in September 2021. This investment was part of a Seed Plus funding round aimed at supporting Previsico's growth and the development of their FloodMap Live platform, which provides hyperlocal flood forecasts and alerts.

Previsico's unique ability to forecast surface water flooding fills a critical global gap. It has been adopted by major insurers and asset owners, gaining significant traction and expanding internationally, targeting markets like the USA and Southeast Asia.

Previsico has recently been ranked number 14 in the 2024 Deloitte UK Technology Fast 50 and shortlisted for CIR Magazine's National Insurance Awards 2025 for the Insurtech award.

DRIVING INNOVATION

Throughout their existence, VCTs have plugged a vital gap in the funding ecosystem that often confronts growth stage companies. The Enterprise Investment Scheme (EIS) and Seed Enterprise Investment Scheme (SEIS) will often provide the funding that translates the spark of an idea into a business plan and commercial model. Once a start-up has shown initial traction and an opportunity to scale, VCTs provide the funding that opens the next chapter of growth.

Each year, there is a wealth of ideas spinning out of UK universities and talent striking out of British businesses. These innovators are building new technologies – from artificial intelligence to virtual reality and robotics – that are shaping emerging industries such as fintech, biotech, and cyber security.

These technologies require substantial investment to take ideas through to commercialisation – and this is particularly true in research-intensive sectors such as deeptech and life sciences. Historically, VCTs have provided an ideal mechanism for providing the patient capital required to grow these businesses.

However, inflation and the broader growth of the venture capital industry have meant that the funding required to back early-stage, research-intensive companies has only grown in recent years.

REMOVING BARRIERS TO GROWTH

There is now an opportunity to strengthen the role played by VCTs in backing research-intensive companies: a simple adjustment to the funding limits for VCT investment could supercharge the impact of our industry and ensure that VCT-backed businesses fulfill their role as engines for growth.

Currently, the amount of VCT funding that a business is permitted to raise in one year is limited to £5m – or £12m for companies that qualify as knowledge intensive. Over the lifetime of the business, it is limited to raising £12m in total from VCTs – or £20m for knowledge intensive companies.

These limits – designed to ensure that state intervention was not distorting the funding market – have struggled to keep pace with the wider economic environment.

Both limits – static since 2016 despite rapidly rising inflation – no longer reflect the investment needs of innovative, fast growth companies, especially research-intensive businesses in hugely promising sectors such as artificial intelligence, life sciences, and robotics. This is creating a barrier to growth and limiting the potential impact of the VCT industry on the broader enterprise economy.

FROM GOOD TO GREAT

The VCT scheme is a key contributor to British innovation. However, its ability to back high-growth, research-intensive companies will inevitably diminish over time due to inflation. A simple tweak to the policies underpinning the scheme could ensure that it goes from good to great, backing another generation of innovative success stories.

The VCTA believes that the annual limits should be increased to £6.5m (£15.5m for knowledge intensive companies) and the lifetime limits should be increased to £16m (£27m for knowledge intensive companies), with a commitment to review these levels every three years, with a report published to Parliament. These updates would be in line with inflation, based on CPI data from the Bank of England showing 31% inflation since 2015.

Through these simple adjustments to the VCT framework, the Government has the potential to unlock vital patient capital that can ensure the country delivers on its ambitions to become a science and technology superpower.

PROMETHEAN PARTICLES

Promethean Particles

Sector
Climatetech

Headcount
c.20

Total VCT investment
£4.0m

Backed by
Mercia

Founded
2007

Headquarters
Nottingham

Promethean Particles, a climate tech innovator, raised £8 million, co-led by Mercia Ventures and Aramco Ventures, to scale up its manufacturing of advanced materials for energy transition applications. The company has developed a unique continuous flow process for producing metal-organic frameworks (MOFs) at industrial scale.

Their technology enables the cost-effective production of materials crucial for applications such as carbon capture, biogas upgrading and water harvesting, addressing a key challenge in the fight against climate change. MOFs can capture gases such as CO_2 more efficiently than traditional materials, with applications across various industries.

The investment will support the expansion of their production facilities and accelerate commercialisation of MOFs.

OUR PROPOSALS FOR ADJUSTING VCT LIMITS

Age limits: current age limits for VCT eligibility are a barrier to businesses based outside of London and the South East. We propose raising the age limits to 10 (from 7) years for businesses accessing VCT funding, and 13 (from 10) years for knowledge intensive businesses.

Funding limits: limits on how much VCT funding a business can raise annually and over its life-time have not kept pace with rising inflation. We therefore propose raising annual limits to £6.5m (£15.5m for knowledge intensive companies) and lifetime limits to £16m (£27m for knowledge in-tensive companies), with a commitment to review these levels every three years.

EMERGING INVESTORS

Since the launch of the first handful of VCTs in 1995, the industry has nurtured several generations of investment talent. Over time, this has built a thriving ecosystem, with an increasingly diverse network of VCTs and investment managers.

The broader venture capital industry continues to grapple with persistent challenges in scaling the level of funding that it provides to female-founded businesses. 2024 saw the launch of a £250m pool of capital for female-led start-ups backed by the Invest in Women Taskforce. This was a direct response to the fact that all-female founded businesses received just 1.8 per cent (£145m) of the total value of UK equity investment in the first half of 2024, a fall from 2.5 per cent in 2023.

Together, key stakeholders across the VCT industry – from VCT boards to investment managers and industry advisers – are working together to ensure that women-led businesses can access the funding they need to grow.

THE TALENT PIPELINE

Research cited by the Invest in Women Taskforce has highlighted that female investors are twice as likely to invest in female-led and mixed gender founding teams. This places a responsibility on the industry to ensure that women are represented throughout the investment teams of VCT managers.

Venture capital is an industry that depends on the experience and track record of investors. Driving greater diversity among decision-makers is, therefore, a long-term initiative that begins with nurturing junior investors from a diverse range of backgrounds. The latest diversity data collected by the VCTA in 2024 reported that women represent 39 per cent of junior and mid-level investors within VCTs, in line with research that suggests 38 per cent of the UK's VC workforce are women.

VCT managers are also embedding best practice that ensures diversity and inclusion are addressed throughout their firms: at the board-level, within investment committees and teams, across portfolios, and throughout deal sourcing and the investment process.

As part of these efforts, all VCTA members are now signatories to the Investing in Women Code – a commitment to support the advancement of female entrepreneurship in the UK by improving female founders' access to tools, resources and finance from the financial services sector. The VCTA also ratified its Diversity and Inclusion Charter in 2023, committing firms to participating in the annual VCT industry diversity survey and taking actions to improve diversity and inclusion within their own businesses and in portfolio companies.

BERINGEA

JODIE MILLER, BERINGEA

Role: Investment Manager

VCTs managed by Beringea: ProVen VCTs

Key portfolio companies: Mojo, Moonshot, Doctify

Venture capital is an industry rooted in people. While analysis is clearly integral to successful investing, it is the unique talents of entrepreneurs that drives growth.

At Beringea, we are champions of women, and we lead several industry groups focused on empowering female investors and founders. In turn, these networks have been fantastic for mentorship and guidance as I have developed my career.

In managing the ProVen VCTs, we work with a portfolio of more than 50 companies spanning emerging and established industries. This breadth means that no day is the same – one moment I can be working with the likes of Mojo and Doctify to disrupt the healthcare industry, the next I will be helping the Moonshot founders to mitigate online threats.

Diversity is, therefore, at the heart of what we do. Diversity of experiences, diversity of talent, and diversity of industries. And this is all underpinned by the patient capital that we manage, which is so integral to having a long-term view of success.

LUCY BLOOMFIELD, HARGREAVE HALE AIM VCT

Role: Fund Manager

VCTs managed by Hargreave Hale: Hargreave Hale AIM VCT

Key portfolio companies: Beeks Financial Cloud, PCI-PAL and Diaceutics

I joined the Hargreave Hale AIM VCT in 2018 but my investment career began 10 years earlier when, furnished with a degree in economics, I joined the City just months before the credit crisis. Against that challenging backdrop, I was fortunate to discover my passion for smaller companies and learn from the many experienced investors who mentored me. Just as important as the lessons of how to identify the attributes of a successful growth company, were the ones which highlighted the importance of properly understanding and calibrating the risk factors ahead.

As a VCT fund manager, I love that I'm constantly exposed to new and exciting subjects ranging from precision medicine one day, to software solutions or new consumer propositions another. A common theme in early-stage investing is that generating strong shareholder returns through the successful commercialisation of new and innovative technology, or disruptive business models, takes time. It's inevitable that companies face setbacks on the path to success, and one of the most valuable features of VCT investing is the long-term, patient approach it enables. 19 of the holdings in the Hargeave Hale AIM VCT have been held for more than 10 years and we have supported many of our portfolio companies over multiple investment rounds.

Hargreave Hale AIM VCT

NEW ENTRANTS

In recent years, another key lever of driving diversity in the ecosystem has been welcoming a new cohort of VCTs – managed by a growing roster of investment firms – into the market.

Since 2022, new launches have included Praetura Growth VCT, Fuel Ventures VCT, and Guinness VCT. Each of these new entrants brings prior experience in managing EIS funds, demonstrating the collaboration that often takes place between EIS and VCTs and ensuring that companies are easily able to tap into appropriate funding schemes as they scale.

The certainty provided to the future of the VCT scheme, following the extension of the sunset clause by the UK Government in September 2024, has ensured that there continues to be a clear opportunity for new market entrants. For example, Puma – a VCTA member – launches its new AIM VCT in the weeks that followed the official extension of the sunset clause to 2035.

As part of its efforts to ensure the entire ecosystem of VCT managers are represented and supported, the VCTA has also recently introduced an associate membership for emerging fund managers.

These initiatives – coupled with the drive for diversity and inclusion across the VCT industry – are ensuring that the ecosystem is making progress on its objective of building a vibrant VCT sector that unlocks the potential of investors and entrepreneurs alike.

Gresham House VENTURES

MAYA WARD, GRESHAM HOUSE VENTURES

Role: Investment Director

VCTs managed by Gresham House Ventures: Baronsmead VCTs and Mobeus VCTs

Key portfolio companies: Metrion Biosciences, Orri, Panthera and eConsult

I joined the team in 2019 and lead on our healthcare and education focused investments. I'm passionate about investing into the future of UK companies and providing a platform for the country's top scientists and clinicians to deliver world-class solutions.

As our DEI lead, I play an active role in attracting and supporting female founders. We are a signatory to the British Business Bank's Investing in Women Code, host an annual Women in VC event every September, and I have spoken at the London Venture Capital Network's Female Founders Day.

The VCT scheme continues to play an important role in driving funding into UK-based private companies (SMEs) to support their grow plans.

EMERGING ENTREPRENEURS

Ken Clarke highlighted in 1994 upon the launch of the VCT scheme that “it is absolutely essential that we have a healthy and vigorous small firms sector for the future economic well-being of the country and to achieve higher levels of employment.”

These small firms are shaped by ambitious entrepreneurs with the vision and innovation to drive long-term growth. These founders can come from a diverse range of backgrounds, spanning the length and breadth of the country. It is, therefore, a key objective of the VCT industry to ensure that it can reach and back entrepreneurs from every background nationwide.

AVENI

Sector **Fintech**

Headcount **50**

Founded **2018**

Total VCT investment **£5.5m**

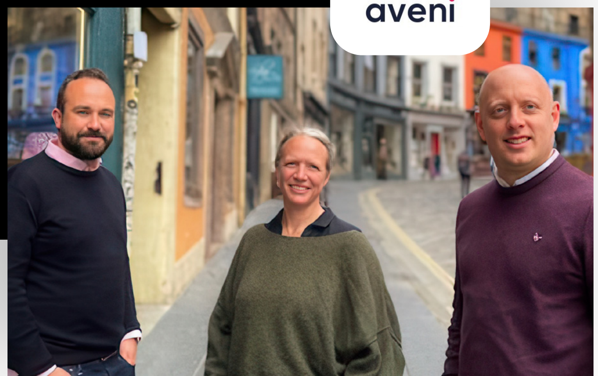
Backed by **Puma**

Headquarters **Edinburgh**

Aveni delivers market-leading generative AI solutions for the UK financial services industry. In 2024, Puma VCTs (Puma VCT 13 and Puma Alpha VCT) led an £11 million investment into the company, one of the largest Series A investments into a Scottish business that year. Par Equity plus financial services leaders, Lloyds Banking Group and Nationwide also participated in the round.

Customers include some of the UK’s leading financial services firms and Aveni has seen significant growth in the past two years. This investment will enable Aveni to build on the success of existing products, further establishing its presence across the financial services sector and scaling FinLLM, a financial services specific Large Language Model.

The company was founded in 2018 by Joseph Twigg and Dr Lexi Birch. Joseph has more than 15 years’ experience of the investment industry including recently as Head of Strategy and Business Management for Aberdeen Standard Investments. Lexi is a scientist and specialist in Natural Language Processing (NLP). As a Senior Research Fellow at The University of Edinburgh School of Informatics, co-founder and Head of Aveni Labs, she has helped revolutionise the use of NLP in industry by developing state-of-the-art technology that is transforming the way financial services firms interact with language.



BRIGHT NETWORK

Sector **HRtech**

Headcount **60+**

Total VCT investment **£5.75m**

Backed by **Maven**

Founded **2013**

Headquarters **London**

Bright Network is the UK’s number one graduate talent platform. Founded by CEO James Uffindell, the business is inspired by his struggles during university to access career advice and opportunities. Initially self-funded, James recognised the need for additional funding to accelerate the company’s growth objectives.

The Maven VCTs invested in the business in 2018, enabling Bright Network to develop its proprietary technology platform and advanced data analytics to expand its membership base. These innovations helped Bright Network better understand its members and assist employers in identifying the right talent, which contributed to its market leading position.

James and his team’s ability to balance revenue growth with tight control of EBITDA, combined with strong business acumen, led to further investment from the Maven VCTs. This funding supported continued expansion, and the business now operates a network of more than 1.2 million members across two territories and a blue-chip client base of over 300 graduate employers.

REGIONAL IMPACT

Ensuring that businesses throughout the UK are able to access VCT funding is also a key part of the industry's mandate. Members of the VCTA have a network of offices and investors that span every major regional hub including Manchester, Birmingham, Glasgow, and Bristol.

However, the full potential of the VCT industry's regional investing could be realised through an adjustment to the age limits of VCT-qualifying investments set by Government. Data from the VCTA shows a significant differential in the age of business at the point of investment between Greater London and the rest of the UK.

The data shows that companies based in Greater London take 5.1 years on average to reach a scale appropriate for VCT funding, whereas companies based outside of London take 7 years to reach this scale. This highlights that those businesses based outside of London take longer to mature, particularly those in manufacturing industries and those which are research intensive, and this is creating the potential for regional inequalities.

To enable innovative companies throughout the UK to access the funding they need to succeed, the VCTA has proposed raising the age limits to 10 years for businesses accessing VCT funding from its current limit of 7 years, and 13 years for knowledge intensive businesses from a current limit of 10.

Members of the VCTA have a network of offices and investors that span every major regional hub including Manchester, Birmingham, Glasgow, and Bristol.

LYMA

Sector
Technology

Headcount
35+

Total VCT investment
£2.0m

Backed by
Pembroke

Founded
2017

Headquarters
London

LYMA was founded in 2017 by Lucy Goff, who after battling septicaemia, met leading clinical pharmacologist, Prof. Paul Clayton; he simultaneously changed her health and her life. They created the science-backed nutraceutical, the LYMA Supplement, to address the flaws in the supplement industry by combining proven, advanced medical research and technology.

Pembroke invested in LYMA in 2018, and the LYMA ecosystem has continued to evolve with the creation of a powerful, clinic-grade at-home skincare device, the LYMA Laser, a triple strength version, LYMA Laser PRO and a skincare protocol hailed as a breakthrough in skin ageing, LYMA Skincare.

LYMA achievements include a King's Award for Enterprise, listings in Sunday Times 100 Fastest-Growing Private Companies and FT1000: Europe's Fastest Growing Companies and the LYMA Laser featuring as a TIME Magazine 'Best Inventions' 2023. Lucy also received the prestigious Changemaker Award at the 2024 EY Entrepreneur of the Year, Woman of the Year at the everywoman Awards and featured in the first-ever Forbes 50 over 50 global list.

THE SCALE-UP JOURNEY

For early-stage companies, VCTs offer more than simply funding. A dynamic network of VCT managers across the UK provides entrepreneurs with access to strategic guidance on finance and operations, connections to advisers, potential hires, and potential clients, and a network of peers to learn from.

Underpinning this is a rigorous and engaged approach to corporate governance. VCTA member firms were Board Members or Board Observers on over 95 per cent of their unquoted portfolio companies, providing commercial and professional advice, intensive support and guidance over the long term to these companies as they develop new products, enter new markets and create new jobs.

This hands-on approach is integral to driving success within VCT-backed companies, who are typically businesses that are early in their scale-up journey. According to the latest analysis from the VCTA, a typical portfolio company at the point of investment will have 35 employees and £2.6m in annual revenues, and they will secure £2m in VCT funding to begin the next chapter in their growth.

ABOUT VCTA

The Venture Capital Trust Association (VCTA) represents 12 of the largest venture capital trust managers in the UK. Its members manage more than £6.5bn and more than 1,000 portfolio companies across an extensive regional network of local offices across the UK.

The VCTA seeks to unlock the economic impact of early-stage companies through creating a policy landscape and funding environment that drives growth, fosters innovation, and creates jobs.

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