UKBAA
UK Business Angels Association

Treasury Select Committee Inquiry into the State of the UK Venture Capital Industry

Contents

Introduction

UKBAA is the trade body for Angel and early-stage investment established in 2012, covering England, Wales, Scotland and Northern Ireland. We are pleased to have the opportunity to respond to this review by the Treasury Committee into the state of the Venture Capital Industry and to focus on the vital role played by Business Angel and early-stage investment in the Venture supply chain.

About UKBAA

We are a private company limited by guarantee and operate as a not-for-profit organisation. Our role is to build and support the growth of an effective angel and early-stage finance ecosystem across the UK. Our community includes over 18,000 angel investors across the UK and our membership consists of 86 Angel networks, 12 online platforms, 600 individual Angel investors, 55 early-stage funds and VC funds; nearly 30 Accelerators and 40 Associates, including professional advisers, lawyers; academics; other finance providers; and key stakeholders.

1. State of Venture Capital in the UK

1.1. The role and importance of Angel Investment in the Venture Supply Chain

- Angel investment is the most significant source of equity for start-up businesses seeking to start, build and scale their early business ideas and is a fundamental first link in the Venture supply chain. Very many of our most successful high growth companies in the UK have started with Angel backing. 60% of Scale-Up businesses in the UK have received Angel Investment as a core part of their scale-up journey.[1]

- The UK Angel Investment market is the largest in Europe and in terms of its age and functioning, the UK is the second most developed angel market after the US. Whilst the EIS and SEIS schemes have been a key driver to its growth (see also EIS Sunset clause Section 3 below).

- Whilst there is no exact data on the size of the market, Angel investment currently amounts to approximately £1.5bn per annum into small businesses

[1] Scale-Up Institute Annual review on the State of UK Scale-ups 2021

at their early stages of growth[2]. Angel investors bring between £100k- £1.5m, as first round deals when operating as a syndicate, but as individuals between £10-50k is the norm, although some new angels in a syndicate may invest smaller amounts initially.

- Angel investors not only bring vital early-stage capital, but also bring business experience, skills, knowledge, strategic advice, market contacts and introductions to support the early nurturing of these small businesses.

- Angels work extensively with other parts of the venture supply chain and d over 50% of Angel syndicated deals may include other forms of finance including other Angel syndicates, VC Funds, VCT, BBB Regional funds, Crowdfunding, Innovate UK grants and other regional grants and also loan funds where appropriate.[3]

- Whilst Angel investors were initially affected by the economic impact of the pandemic initially with a 47% drop in new investments in 2020[4]. Angel Investment has shown a strong recovery in 2021, with 602 new (announced) deals recorded[5] . This is in line with the strong recovery of Venture overall when Investments in 2021 hit a new record level and double the amount of investment in 2020 at £18.1 bn[6].

- Nevertheless, we have seen a continuing decline in the level and number of investments at seed stage under £500k whilst the size of Venture deals has continued to rise, meaning an even longer runway for small businesses to build their business to achieve Series A and a longer period where Angels need to continue to provide increasing levels of follow-on funding.

2. Key challenges and barriers to the effective growth of Angel Investment across the UK

A thriving angel market is core to the functioning of the Venture supply chain from start up to scale up. However, there are key systemic challenges and barriers within the angel investment across the UK which were highlighted during the

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[2] Beauhurst "The Deal" 2021 (announced Angel deals and deals known to have at least one angel investor).

[3] British Business Bank _UKBAA Report on the UK Angel Market Oct 2020

[4] British Business Bank _UKBAA Report on the UK Angel Market Oct 2020

[5] Beauhurst "The Deal" 2021

[6] Beauhurst The Deal 2021 and BBB Equity Tracker report 2021

pandemic and continue to have a significant impact on the Venture market overall. These key challenges include:

- The need to rebalance and increase Regional Angel Investment Capacity
- The need to increase Angel Investment in diversity
- The need to increase Angel investment capacity to invest in early-stage science, technology and innovation and in net zero

Further key issues include:

- The need to maintain the EIS scheme and address the Sunset Clause
- An effective regulatory framework for angel investment

2.1. The need to rebalance and increase Regional Angel Investment Capacity

Despite extensive efforts across the Venture and Angel supply chain and the important funding being made available through the British Business Bank, 59% of angel investment is currently focused on the London Oxford Cambridge triangle.[7] This reflects the continuing overall concentration of all UK Venture on London at 50% of total equity deals and 66% of total investment.

Nearly all other UK regions have only 3-7% per region of the total known level of angel investment The exception being Scotland where 12% of the total angel investment capital. This leaves most regions around UK, where substantial communities of high growth potential small businesses are located, unable to access the investment they need to build and grow their business from start up through to scale-up.

UKBAA recognises the important role of British Business Bank to address these issues:

British Business Investments have played a vital role in addressing the lack of access to angel investment in the regions through the Regional Investment funds and more recently the Regional Angels Programme (RAP) launched in 2018 with £100m and receiving a further £150 in the 2021 Spending review. We are very grateful to the Government for providing vital funding support to BBB to address this challenge.

The RAP has been an important programme, offering opportunities for those Angel groups who are highly professional and strong track record to access a pot of

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[7] BBB-UKBAA UK Angel market report Oct 2020

coinvesting funding between £5-15m to boost investments in small businesses in the regions. To date 184 companies have been supported [8] having been deployed in the regions by the 10 recipients of co-investment fund allocations. And we are also working with BBB Regional Network team to help build stronger awareness of angel and earlystage finance across the regions.

However, the current RAP parameters preclude many angel groups across the regions and devolved nations that do not have the experience, track record or relevant funding structures to take advantage of these co-investment funds. The existing instrument, whilst boosting the number of regional earlystage businesses that can access investment, is unlikely to achieve an increase in the supply of new regional Angel investors, or build sustainable regional angel ecosystems to back small businesses in the regional economies.

Actions:

We need more public co-investment funding and support mechanisms to build angel investment capacity at pace to meet the investment needs growth-focused businesses across the regions– and as a vital aspect of the levelling up of regional economies. A multifaceted approach is needed as follows:

- The deployment of the Regional Angels Programme needs to be restructured by BBI in the roll out of the next phase of £150m by developing new mechanisms to enable many more Regional Angel groups to participate, including development of new regional Angels Programme hubs, offering access to the Co-investment funds and new partnerships between more experienced RAP co-investment fundholders and less experienced angel groups.

- Directly fund the development of a proactive and complementary capacity building and angel mobilisation programme in partnership with UKBAA and regional Angel ecosystem players to support awareness raising, education, recruitment and mobilisation of many more individuals to become effective angel investors in the UK regions, alongside opportunities offered by the Shared Prosperity Fund. This should draw also on existing examples of good practice including the Scottish and international models.

- *See Annex for Examples of Good Practice.*

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[8] BBB Equity Tracker report June 2022

2.2. The need to rebalance and increase Regional Angel Investment Capacity

There remains a significant lack of diversity in Angel Investment across the UK and which impacts across the whole venture supply chain and prevents many more women and black and ethnic minority founders and from other underrepresented groups from successfully accessing investment.

- Currently only 11% of all female-founded teams and 22% of male-female teams are accessing angel investment, whilst only 2% of black and ethnic minority led business are accessing angel investors with over 67% of total investment going to all male teams[9].

- At the same time, there is a lack of diversity in the Angel investment base. Currently only 15-18% of Angel Investors are Women and only about 11% of the existing Angel community are from ethnic minorities with 58% of these based in London.

We are committed to achieving change to increase the level of investment in diversity and UKBAA is working with BVCA, BBB, and other key players across the ecosystem to share data insights, good practice and developing joint strategies.

In relation to increasing the level of investment in women-led businesses, we are working together under the Alison Rose review Board[10]

Actions being taken:

- Increasing investment in Women led Businesses: The Investing in Women Code: UKBAA is a founding signatory and partner of the Investing in Women Code providing transparency through annual gender-related data on investments and to stimulate the adoption of good practice. To date 28 angel groups, including those with co-investment funds from our community have signed the Code. UKBAA will continue to work alongside BBB, BVCA and UK Finance to attract many more of our angel and early-stage investment community to sign the code and will continue to develop and promote good practice across our community.

- Increasing the number of women Angel Investors from 15-30%: Women Angel Investment Task Force: We have established a new Women Angel

[9] BBB-UKBAA UK Angel market report 2020
[10] Jenny Tooth UKBAA is a founding member of the Alison Rose Review Board led by Alison Rose of Nat West and BEIS Minister Paul Scully.

Investment Task Force under the Alison Rose review with key women players from the angel ecosystem. The Task Force has launched a new national campaign called **Women Backing Women** to raise awareness to women across the UK of the potential for them to becomes investors in women entrepreneurs, providing education and integration into the angel community. This is accompanied by a new mapping exercise to identify the location and focus and overall impact of women angel investors, identifying, gaps and solutions[11].

- **Increasing Angel Investment in Diversity:** A further important area for action is increasing investment in black and ethnic minority founders and those from underrepresented groups. UKBAA has developed a new **Best Practice Guidance for Angel investment in Diversity**[12] drawing on the perspectives and existing good practice among our investors. We are also supporting the emergence of a number of new diverse Angel groups, focused on backing women led businesses and new black and ethnic minority groups.

- **Collection of Ethnicity Data on Investments:** In response to the recommendations of the CRED Working Party on Access to finance, UKBAA together with BVCA and BBB has piloted for 2021, the collection of data on the ethnicity of the investments by Angels and VCs among those who are already signatories in the Investing in Women Code. This aggregated data will be shared later in 2022 with a view to expand this approach in 2023 to publishing an annual ethnicity investment data.

Further Action by Government:

Increasing the level of investment in diversity is fundamental to the growth of our economy and to the success of the Government's Levelling up Agenda. Government should reinforce these actions with further public investment as follows:

- Support to an ongoing national campaign of awareness, education and mobilisation to enable many more women and those from ethnic minorities and other diverse backgrounds to become Angel investors.

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[11] Mapping female Investment across the UK Beauhurst and Women Angel Investment Task Force launch tbc

[12] www.ukbaa.org.uk/wp-content/uploads/2021/12/diversityguidance.pdf

- Consider the allocation of an additional targeted funding pot of at least £200m to BBB/BBI to complement the RAP and specifically co-invest and leverage the investment potential of nascent and less experienced Angel investment groups from diverse backgrounds.

- Review the opportunity to use the EIS and SEIS scheme to provide additional incentives to invest in businesses led by diverse founders and in underserved regions– *see also Addressing EIS Sunset Clause and Potential Reforms set out below.*

2.3. The need to increase Angel investment capacity in early-stage science, technology and innovation-supporting UK's ambition to be a science and technology "superpower" and achieve net zero

With the increase in public investment in science, research and innovation to £22bn by 2024 and with launch of the Government's Innovation Strategy last year, it is vital that we can leverage and build a strong supply of angel investment into business innovation and enable effective early commercialisation of science and research.

Within our Angel community there is significant interest to back innovative solutions for climate change and supporting sustainability. There are strong experienced angels with science and industry backgrounds to identify, evaluate and invest in core priority areas of science innovation and technology, many are currently based in the London Cambridge Oxford triangle.

However, very many Angel investors across the UK lack the knowledge and experience of science, innovation and technological developments and compounded by the lack of developed angel ecosystems around universities and clusters of innovation in the UK. This knowledge gap hinders investors from adequately assessing the technical and financial viability of key technologies and knowledge-based companies.[13]

[13] This also reflects the concerns expressed in the recent letter to the Prime Minister from Sir Patrick Valance and Lord Browne of Madingley presented at the CST Letter to the Office of the Prime Minister

Action:

Government support is needed to materially grow the capacity of angel investors to identify, evaluate and back S&T companies and that will form the bedrock of future growth for Britain's ambition to become a superpower:

- Support UKBAA in partnership with a range of players from the investment market and scientific and technology and engineering institutions, to develop a new bespoke national angel training programme for attracting and mobilising science, industry and technology specialists to become Angels.

- Support the development of a broader programme of education and capacity building aimed at the wider Angel and venture investment community to provide knowledge of how to effectively invest in science and technology. This could build on the successful pilot of UKBAA and ScaleUp Instititute for sector specific training under the DCMS Creative Scale -Up Programme "Invest in Creative"[14]

- Further leverage the potential of Innovate UK grants as undiluted co-investment funds to stimulate angel investment in regional innovators as in the Regional Angel Investment Accelerator Pilot. Whilst the I-UK Innovation Partnership Programme should seek to support and stimulate the development of new specialist Angel Investment communities around key areas of innovation.

- Build on the existing funds deployed by BPC, including the Life Sciences Investment Programme and the Breakthrough Fund and consider development of a further equity Co-investment fund, targeted at leveraging the power of Angel and early-stage investors dedicated to backing Science technology Innovation.

[14] www.investincreative.co.uk

3. The importance of EIS in supporting the Growth of Angel Investment and the need to address the Sunset Clause.

3.1. The Enterprise Investment Scheme has underpinned the growth of Angel Investment in the UK

It is also vital as an instrument to attract and support new investors, especially in supporting the growth of more women and diverse investors across the UK.

However regional disparities prevail in usage of EIS/SEIS scheme. Government EIS stats continue to underline the disparity in take up of EIS across the regions with 65% of EIS investment being made in London and the Southeast.

BBB-UKBAA research[15] has shown that 87% of angels used the EIS/SEIS scheme and 86% stated that they invest more and in riskier small businesses due to the presence of the EIS scheme, whilst 89% stated that they do <u>not</u> use the EIS scheme as a driver to their investment decisions or to support tax advantage planning.

UKBAA's most recent research of our Angel Investment Member Community carried out in May-June 2022 has reinforced this view on EIS:

85% see as crucial in enabling them to support entrepreneurship and back their local economy.

87% to assign more of their personal capital into earlier stage risk businesses and support early commercialisation.

90% new to Angel investing in last 12-18 months, see as vital to their decision to start Angel investing in early-stage high risk businesses.

3.2. The Impact of the EIS Sunset Clause 2025 on Angel Investment

The provision within the 2015 Finance Bill, as a condition for State Aid approval, introducing a sunset clause intended to restrict tax reliefs to shares issued before April 2025 requires urgent attention by Government. The failure to continue the EIS and SEIS schemes would result in the loss of a major pool of £1.8-£2bn annually of equity capital from angels and other private investors impacting 4000 small

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[15] UKBAA-BBB UK Angel market report 2020

businesses under the EIS scheme and £175m in over 2000 start-up businesses under the SEIS scheme.

90% of Angel users of EIS said this would materially change their capacity to back high-risk start-ups.

This would have a direct impact on the whole venture supply chain from start-up to scale -up here in the UK, further compounding the extensive growth capital gap identified as £15bn annually.[16]

Action:

It is vital that the Government urgently takes the necessary action to override the sunset clause and ensure the continuation of both EIS and SEIS reliefs beyond 2025, giving strong assurance and certainty to the Angel and early-stage investment community as well as the small business community of the continuing availability of the schemes.

UKBAA also endorses the submission by EISA and VCTA in addressing the Sunset Clause

4. An effective Regulatory Framework is important for growth of Angel investment

- We need to avoid changes to regulations that restricts or undermines angel investment.
- We support opportunities to attract international Talent through the new Scale up visas and EMI.
- Also exploit opportunities for new pools of capital including DC Pension funds- we support the work of BVCA and Productive Finance Group.
- *See Annex for our comments.*

5. Looking forward: The overall economic climate for Angel investment and the implications of the

[16] Growth Capital Report Sept 2020 led by SUI and Innovate finance

global financial crisis for the future of Angel Investment in the UK

As already mentioned, since Angel Investors are committing a proportion of their own personal wealth into small businesses and taking their own decisions to invest in risk-focused, growth-potential businesses, they are directly impacted by the UK and global financial climate.

Previous financial crises have shown that the level of Angel investment is severely impacted. During the pandemic 52% of Angels reported a reduction in their investments into small business[17] . Our recent survey of UKBAA Angel investor members revealed that over 85% stated that worsening economic conditions would affect their own financial capacity to invest in start-ups and early-stage businesses over the next 12 months - and with consequent severe impact on the pipeline to Venture capital.

As this submission demonstrates, the Government needs to move at pace in the face of impending significant shocks to the UK economy and wider Global environment, to use public investment and policy measures to address the challenges outlined above. It should work in partnership with UKBAA and key players across the finance and entrepreneurship ecosystem to ensure the continuing supply of Angel investment to early-stage businesses. This will in turn enable us to ensure an effective and connected supply chain of Venture Capital to ensure support to small businesses here in the UK to innovate and flourish, creating jobs, productivity and growth and tacking society's biggest issues over the coming years.

For further information please contact:

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[17] BBB-UKBAA UK Angel Market report Oct 2020

ANNEX

Further supportive evidence and information

(Numbering reflects the chapters in the main document)

1. Role of UKBAA

UKBAA's role is to build and support the growth of an effective angel and early-stage finance ecosystem across the UK and to address areas where capacity is weak, providing education and support; connecting investors to quality sources of deal flow and connecting the investment supply chain from start up to scale-up. We also seek to address core challenges and gaps in the market, such as addressing regional angel capacity imbalances and increasing angel investment in diversity. We are working closely with Government and key stakeholders across the UK to ensure an effective policy and regulatory environment to support and grow the angel investment base.

2.1. Need to build further Regional Angel Capacity

Further evidence gained through a detailed mapping exercise of 20 angel groups across the Northern Powerhouse, West Midlands and South West carried out by UKBAA together with the Scale Up Institute [18]revealed only 1, 500 active angel investors in 20 angel groups with total level of investments made across these three regions of £25.9m per annum - which compares to the level of investment typically invested by individual experienced angel groups in the Golden triangle. This demonstrates the nascent nature of angel investment in these regions and the overall lack of investment capacity.

[18] DCMS Creative Scale-up Programme Investor capacity study UKBAA-SUI 2020

2.1. Examples of Good Practice to build capacity in the Angel market

Scottish Investment Bank and Scottish Enterprise Angel Capacity Building programme:

SIB/SE established LINC Scotland to offer education and support with mobilisation of new syndicates LINC has had a separate budget of £500k annually allocated to LINC Scotland through SCIF/ Scottish Enterprise (until recently ERDF supported). Its role is to build awareness and education to attract new angel investors and support mobilisation of new Angel groups and to build connections between Angel groups to support co-investment and peer to peer exchanges of experience. SCIF also directly supports new groups formed in Scotland, enabling them to access up to £150k for two years from SCIF to support the development and structure so that they can effectively build capacity to access the Co Investment fund.

This has resulted in the establishment of 24 active Angel groups across Scotland and the most thriving angel investment ecosystem outside London and the South east. [19]

Canada Angel support Programme

- Nearly all individual Provinces across Canada have Angel co-investment funds. In addition to fiscal incentives and co-investment funds the Government of Canada, recognises the need to directly support Angel capacity building. The Government funds NACO the National Angel. Also via the Federal Economic Development Agencies the Canadian Government has provided direct funding to support the Angel Network Program (ANP) which aims to support the growth and development of Angel groups. The programme operates separately in each Province.

- One such programme is the Angel Investment Ontario AIO which receives $800,000 per annum from both the federal and provincial governments of Ontario to support their capacity building work for development of Angel Groups. AIO is also given provincial funding approximately $600,000 annually to be distributed to local nascent angel networks offering up to $50,000 per year to Angel Groups to support with educating new angels and growing angel membership, until they can reach self-sustainability. This

[19] LINC Scotland report on Angel Investment in Scotland 2022

has resulted in a highly successful network of over 20 Angel syndicates across Ontario[20].

3.1. Maintaining the EIS scheme beyond the 2025 Sunset Clause

UKBAA member survey of Angel investors in our community (May-June 2022) in relation to the potential withdrawal of the EIS scheme by 2025:

- The lack of certainty about the continuation of the scheme is compounding the current financial and economic uncertainties felt by Angels with 87% saying it is likely to impact on their appetite for committing their personal capital to small businesses in the coming 2 years.

- 85% said that they would invest in fewer risk- level start-up and early-stage businesses each year, and would focus on de-risked, revenue-generating businesses instead.
- 76% stated that they would put lower amounts of their personal capital into start-ups and early-stage businesses
- 24% stated that they would no longer back start- ups or early-stage businesses.

Opportunities for further reforms:

Once the Government has given certainty on the continuation of the EIS beyond 20205 further actions to reform the scheme should be considered:

- Increase awareness and take-up especially in the regions: HMT and HMRC should support UKBAA, BVCA EISA, VCTA and BBB and all other key player in the ecosystem in a major nation-wide campaign to raises awareness of the schemes to entrepreneurs and investors, especially focusing on regions outside the Golden Triangle, and among existing and new potential investors and entrepreneurs from diverse communities.

- Review the potential for additional targeted EIS/SEIS tax relief incentives: with a view to increase investments in diverse founder team and growth focused regional businesses. Consideration also to be given beyond the Knowledge Intensive Businesses scheme to incentivising investments in the

[20] NACO: Review of Ange Support programmes Canada.

commercialisation of core Science and Innovation sector priorities as set out in the Innovation Strategy, including encouraging investing in net zero.

- Improving the working of the scheme: review the operation of the scheme to improve the effectiveness and working of the scheme without the restrictions of the EU and in close consultation with the investment and business community.

- Addressing current technical issues such as the 3-year EIS qualification: Angel Investors generally bring not just one round of investment, but several rounds of funding to support the growth and scaling of their investee businesses, until they may be ready for Series A VC funding to take forward further growth and scale of the business. This is combined with direct support and advice by the Business Angels to the management team on building the business and ensuring traction ready for high growth. At the same, time, Angel investors using the EIS scheme are trapped by the three-year rule on the period of investing under the scheme.

- If an investor makes several investments in a start-up over a period of years, they face an issue with EIS benefits having to be repaid if the company exits within 3 years of the later rounds. This therefore discourages angels from making later stage investments in their portfolio companies and threatens their longer-term returns, as they fall behind the preference waterfall (see point below). Whilst, where there is a positive value exit, most investors would not find this an issue, since Angels are making more risky deals in very early-stage businesses, more often than not an 'exit' comes as a means of salvaging a business. Angel Investors face getting a negative return on their capital, plus losing EIS benefit if it happens within 3-year EIS qualification period.

4.1. HMT and FCA Proposed Changes to the Risk Capital framework

In line with UKBAA 's responses to the recent consultations by HMT and FCA into the operation of self-certification of HNW and Sophisticated investors and promotion of investments, we recommend that the parameters should be maintained and any restrictions should be avoided that add extensive new responsibilities to Angel groups or that have unintended consequences in undermining the contribution of Angel and early-stage investment to support the productivity and competitiveness of the UK economy.

4.2. Opening New Pools of Capital: Opportunity to exploit DC Pension Schemes to boost investment into Venture Capital

We recognise the importance of ensuring that the existing untapped UK DC pension schemes can invest in VC funds to boost their growth and sustainability.

UKBAA is supportive of the efforts of the BVCA to address this issue and also the work of the Productive Finance Working Group, led by Bank of England, FCA and HM Treasury to set out a roadmap to enable DC Schemes to support venture as well as proposals for a new Long-term Asset Fund.

4.3. Supporting Access to Talent to support growth of Businesses from start up to scale-up

Supporting the development of talented entrepreneurial teams is a key concern for Angel investors in ensuring the effective scaling of their investee businesses.

- We are supportive of the Governments measures to introduce a new Scale-Up visa alongside the existing Start -up talent Visa.
- We also support a review of the opportunity offered by the EMI scheme to maintain key talent.

Reviewing the EMI Scheme: Government should ensure that the EMI scheme is maintained to enable early-stage businesses to build and scale and incentivise and maintain talented players through offering share options at a time when early stage businesses do not have any or sufficient revenue to pay the salaries and costs that many would normally command in corporates or less risky businesses, also ensuring this is not affected by other regulatory changes that might affect the working of the scheme including reforms to CGT or further dilution of Entrepreneurs Relief.

5. Looking forward: The Importance of Certainty and impact of Global events

Previous financial crises have shown that Angel investors tend to focus on their existing portfolio with a view to supporting those already identified as potential successful high growth businesses and making fewer new investments. BBB research of the Angel market in 2020 at the height of the pandemic and lockdown, revealed that 52% of Angels reported a reduction in their investments into small business and with 47% reducing the amount of investment they planned to commit over the coming 12 months[21] . This pattern of reduction in Angel activity could be repeated in the face of a further impending UK economic crisis and global recession with resultant impact on the availability of start-up and early-stage capital, especially for new investments and consequent severe impact on the supply of angel backed businesses ready to seek Venture Capital.

Our recent survey of UKBAA Angel investor members on the impact of the current financial climate revealed that over 85% of the respondents identified that the current economic conditions would affect their own financial capacity to invest in start-ups and early-stage businesses over the next 12 months: 50% identifying cost of living and potential UK recession as a key factor; 20% attributed Stock Market performance; 15% attributed to the continuing impact of Brexit.

[21] BBB-UKBAA UK Angel Market report Oct 2020