



# The Gender Index



2024

# Driving positive change through data



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# Foreword

## Welcome to The Gender Index 2024 Report

This is our third annual report, which aims to provide accurate and up-to-date information that will help address the gender imbalance in UK business. We do so by applying the latest analytics technology to comprehensive data sets, combined with insights from some of Britain's leading business academics.

We've improved the report with data on access to equity investment and secured debt for female-led companies, as well as the proportion of import and export companies that are female-led. By widening the scope, we are better able to identify where female-led companies are achieving success and where there are opportunities to improve support for them.

Our 2024 report includes case studies from two organisations that are using The Gender Index to stimulate gender parity in business. Education is one of the ways to grow female entrepreneurship, and I believe we can have a greater impact in schools. Too many young people are leaving education unaware that starting a business is an option. Our colleagues at the Global Entrepreneurship Monitor have been focusing on this in their latest report, including how business education can benefit young female entrepreneurs.

The upcoming UK General Election presents another opportunity. Whatever its outcome, a new government will form and we must seize the moment to influence policy towards greater diversity in business.

In a challenging global economy, many UK businesses struggled last year. However, as The Gender Index Report 2024 demonstrates, there are plenty of signs that female-led companies were resilient and that even during a difficult 12 months they have progressed in many areas.

Finally, I'd like to extend our gratitude to our partners, sponsors and the academic bodies we've collaborated with in order to bring you this report. Their support has been awesome and together we continue to work towards our shared ambition to drive the growth of female entrepreneurship, and ultimately to achieve gender parity, across the UK business landscape.



A handwritten signature in black ink that reads "Jill Pay". The signature is written in a cursive style and is positioned to the right of the portrait.

*Jill Pay*  
Chairman  
The Gender Index

# UK narrative

In partnership with Dr Caitlin Schmid, Global Institute for Women's Leadership, King's College London

The Gender Index Report 2024 analyses active companies across all four UK nations in 2023 to unpick trends related to diversity in leadership, industry, growth, access to funding, investors, and turnover growth. It presents updated figures on female-led and ethnic minority female-led companies as well as providing an intergenerational picture of entrepreneurship in the UK.

This year's report has added analyses of company performance in relation to secured debts (where an asset is used as collateral) and the share of importing and exporting companies.

In total, the report covers over 8.8 million unique officers across nearly 5 million companies active in 2023 across England, Scotland, Wales and Northern Ireland. This is a change from last year where only directors were tracked and as such provides a more accurate picture of the governance structures within and around UK corporate activity from SMEs to PLCs. As in previous reports, the data was collected through the combination of machine learning technology and big data to create a unique and detailed database permitting the analysis of socioeconomic factors in entrepreneurship across the across the four Home Nations.

Compared to 2022, the report shows that the share of newly incorporated companies that were

female-led decreased to 21.2% in 2023. Further, only one in five active companies was female-led, pointing to persistent underrepresentation amongst active companies in the UK. The report highlights that ethnic minority-led companies continued to show higher female representation in leadership roles than in all active female-led companies combined.

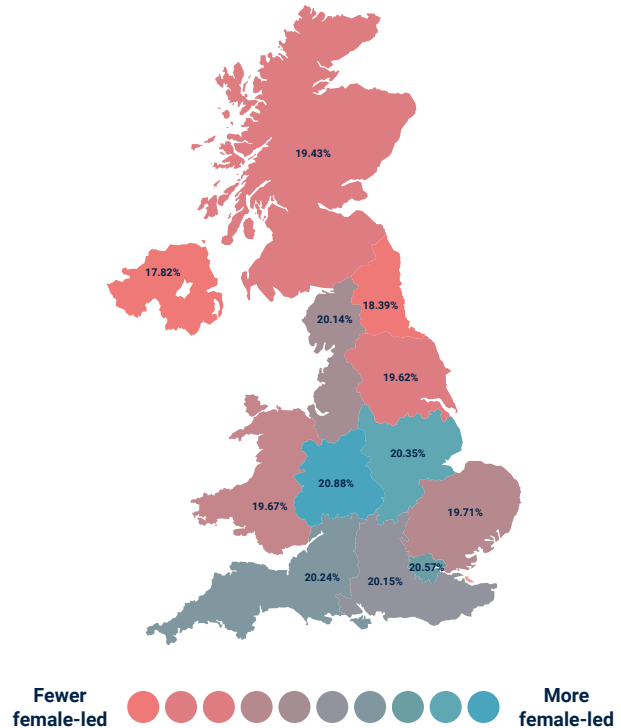
Access to external capital remains a particular challenge for female-led companies in the UK as substantial gender investment gaps are evident. Of those with access to investment, more than half of companies were male-led and only a fifth female-led. Further, gender gaps in the UK investor landscape are also apparent. Male angel investors outnumber their female counterparts by more than two-fold. In contrast, love investment (via a family connection) is over 1.5 times more common amongst female than male investors, suggesting that family networks are particularly important for female investors and company leaders.

The report highlights persistent challenges but also positive developments within each of the four nations, where local initiatives show promising results. Measuring and monitoring progress is critical to better understanding the success of current initiatives, pointing to areas where greater support is needed. With a General Election on the horizon, The Gender Index Report 2024 provides a critical evidence base for innovative programmes to simulate growth and strengthen diversity in UK entrepreneurship.

# National headlines

- In 2023, a total of 4,954,534 companies were active in the UK of which 20.1% were female-led. This share remains the same as the previous year and means that only one in five active companies in the UK was female led. The highest share of female-led companies was found in England (20.3%) followed by Scotland and Wales (19.4% and 19.7% respectively), while the lowest share was found in Northern Ireland (17.8%). (Figure 1)
- Gaining access to external capital remains a particular challenge for female-led companies and substantial gender investment gaps are evident. In 2023, of the UK companies that acquired external capital, a far higher proportion were male-led than female-led companies across each form of investment: Angel (53.7% versus 21.6%), Love (70.9% versus 13.8%), Corporate Venture Capital (73.2% versus 9.4%), Venture Capital (76.7% versus 7.6%), or Private Equity (84.4% versus 5.6%) investment. While female-led companies mainly relied on angel investment, it was the least common form of investment secured by male-led companies though still 2.5 times more prevalent than for female-led companies.
- We see that Wales had the highest proportion of female-led companies securing external funding at 20.3% and lowest in Northern Ireland at 18.7%. Interestingly, in Northern Ireland we find the highest share for male-led companies in Northern Ireland at 61.2%, while it is lowest in Wales at 55.1%.
- Gender gaps in the UK investor landscape are apparent. When it comes to the earliest form of capital, love investment (from a source known to the business through a family member), there were over 150% more female love investors than male ones suggesting that family networks are particularly important for female investors and business owners. (Figure 2)
- However, at the next form of seed capital where companies are often growing fastest, there's a reversal. Male angel investors outnumbered their female counterparts by more than 200%. Notably, the overwhelming majority of angel investors reside in England, comprising 90% of the total. This trend extends to repeat angel investors, with nearly double the number of male investors compared to female investors, again primarily concentrated in England.
- In addition to the underrepresentation of female-led active companies, gender differences are even starker when it comes to fast growth enterprises. Across the UK, only around 0.3% of all active companies qualified

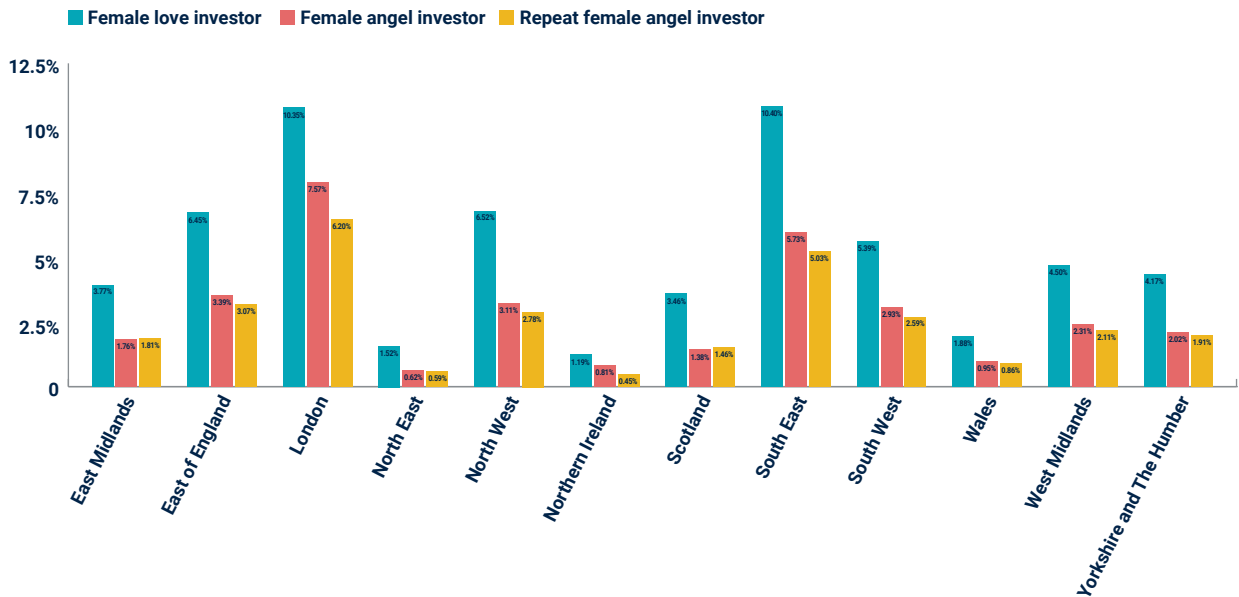
**Figure 1 - Percentage of active female-led companies by ITL1 region**



as fast growth in 2023, of which 12.4% were female-led compared to 73.6% of male-led companies. Among all UK female-led companies, however, only 0.2% were deemed fast growth.

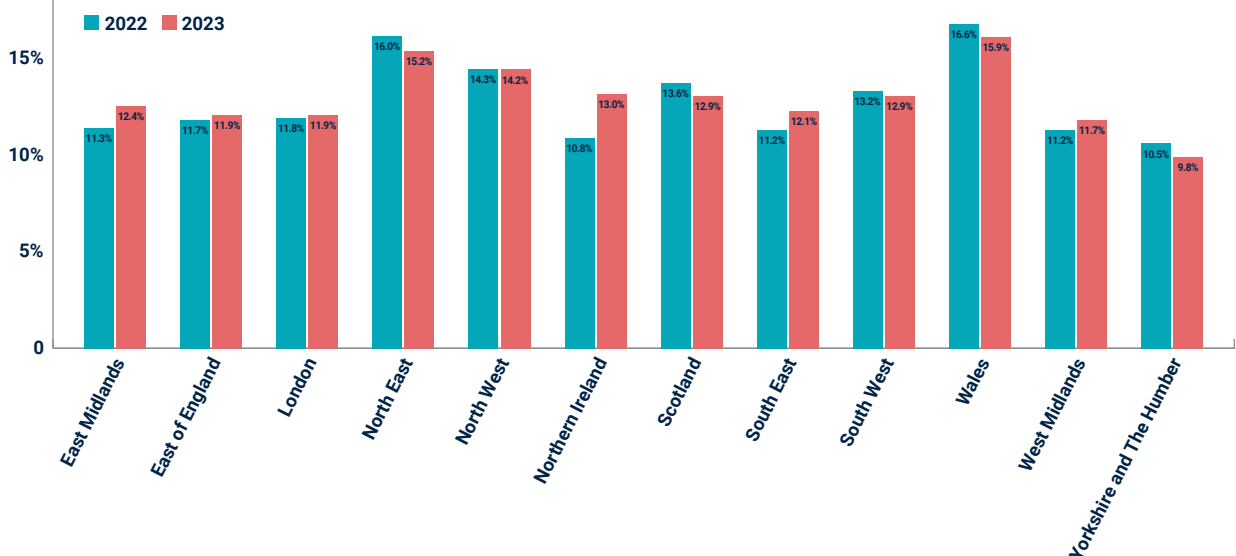
- In England, the proportion of female-led fast growth companies (12.3%) closely mirrored that in Scotland (12.9%), though lower than in Northern Ireland (13.0%) and especially Wales (15.9%). Compared to the previous year, a decline can be observed in the share of female-led fast growth companies in Scotland (13.6% in 2022) and Wales (16.6% in 2022), while there was a significant increase in Northern Ireland from 10.8% in 2022. Conversely, in England, the proportion of female-led fast growth companies remained unchanged. (Figure 3)
- The overall share of female-led, EIS qualifying companies attracting funding from Angel Capital was similar in England (16.2%) to the UK average (16.3%), while it was comparably low in Scotland (15.1%) and Northern Ireland (15.1%). This figure was notably higher in Wales (20.1%), perhaps due to the engagement of the Development Bank of Wales.

**Figure 2 - Percentage breakdown of female angel investors by type**



- In 2023, the proportion of ethnic minority female-led companies in the UK stood at 22%, the same share as in 2022. Across the four nations, the highest share remains in Northern Ireland (23.9%), followed by England (22.1%), Scotland (21.5%) and Wales (21.2%). In contrast, a far higher share of ethnic minority male-led companies was recorded for all countries with the UK average standing at 65%. A divergence in trend by gender is found in Northern Ireland which, at 52.4%, exhibited the lowest share of ethnic minority male-led companies.
- In 2023, the proportion of female-led companies remained highest amongst the Silent Generation (21.7%) and Millennials (21.6%). We also see high shares amongst Gen Z (21.3%), although this has decreased since in 2022 when it stood at 22.9%. The Boomer generation had the lowest proportional share of female-led companies at 18.6%, the same as in 2022.
- Taking female-led and mixed-led companies together provides an overall picture of the proportion of companies in which women have a leadership role. England reflects the national average at 36.9% and this rises to 37.7% in Scotland. Shares are below the national average in Wales (36.1%) and lower in Northern Ireland (33.4%).
- Across the UK, we find that 13.2% of female-led companies are importers compared to 69.3% of male-led companies. A similar gender gap is found amongst exporting companies, of which a mere 12.6% were female-led and 70.6% male-led. Taking importing and exporting companies together, only 10.9% across the UK were female-led. The highest share of both importing and exporting female-led companies was registered in England at 13.2% while the lowest was in Northern Ireland at 7.5%.

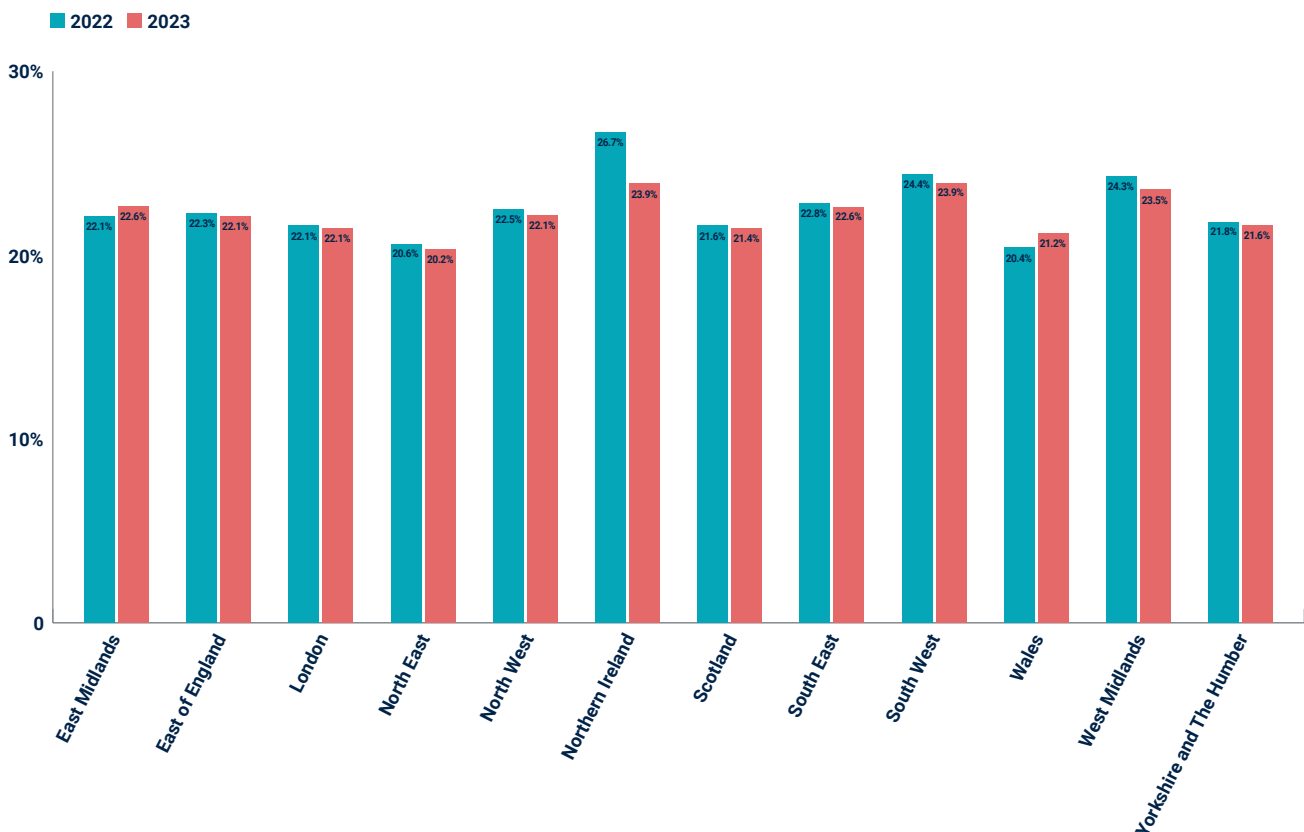
**Figure 3 - Fast growth comparison 2022 to 2023**



# Comparisons between 2022/23

- Over the past year, the overall share of all incorporations increased on average by 11.6% in the UK, yet in Northern Ireland there was a disproportionately high increase of 65%. While this figure also increased in England (11.8%) and Scotland (12.6%), an 8.9% fall was registered for Wales.
- The share of newly incorporated companies that were female-led stood at 21.2% in 2023, which represents a 4.4% decrease since 2022. This is mainly driven by the 4.8% decrease in England to 21.2% although it still exhibits the highest share across the four nations. We also see decreases in Scotland by 1.5% to 20.3% in 2023. Counter to this trend, a rise in the share of new incorporated female-led companies is observed in Northern Ireland (3.9% increase to 19.3%) and Wales (up 1.5% to 20.7% in 2023).
- Northern Ireland still exhibits the smallest percentage of newly incorporated female-led companies, although this has increased by 3.9% to 19.27% in 2022. An increase is also registered for Wales of 1.5% to 20.3%, while it has decreased by the same percentage in Scotland, and by 4.8% in England compared to the previous year.
- The percentage of active female-led companies in the UK remained largely the same in 2023 compared to the previous year at close to 20%.
- Across both years, Northern Ireland (17.8%) shows the lowest percentage of active female-led companies, while England (20.2%) exhibits the highest. In both 2022 and 2023, the share of female-led companies was highest in the West Midlands (21.1% and 20.9% respectively), followed by London (20.5% and 20.6% respectively).

**Figure 4 - The percentage of ethnic minority female-led companies by ITL1 region**

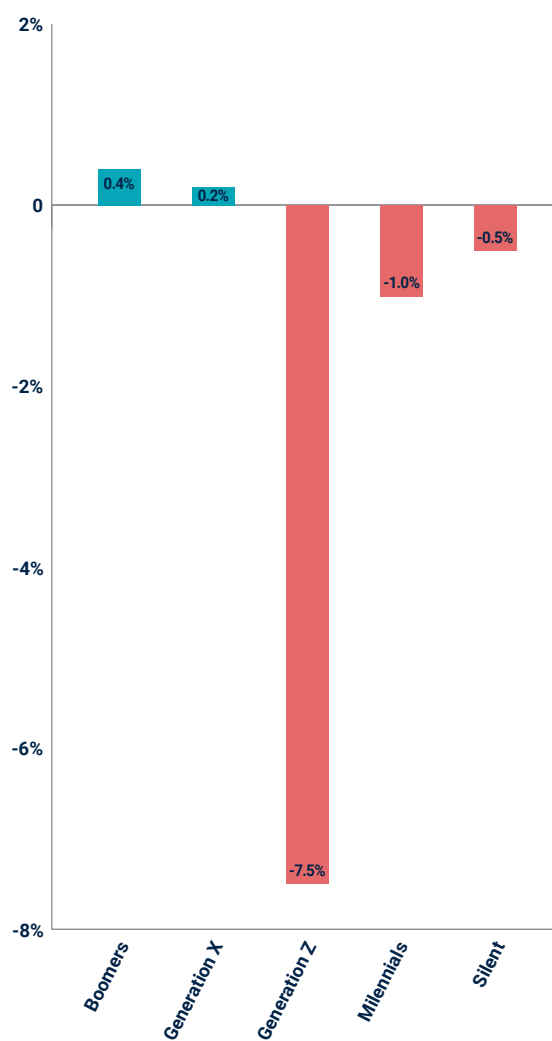




- In both years, the share of female-led companies able to secure external capital was lowest in Northern Ireland (17.9% in 2023 and 17.7% in 2022), with the highest share found in England (21.2% in 2023 and 21.3% in 2022). Amongst those with external capital, we find the highest share of female-led companies to be in Wales for both years (20.3% in 2022 and 20.1% in 2023).
- The overall share of female-led EIS-qualifying companies that secured funding stood at 17.3% in 2023, which represents a decrease since 2022 when it stood at 19.1%.
- The average proportion of fast growth female-led companies saw a slight uptick from 12.2% to 12.4% in 2023. The most remarkable shift was seen in Northern Ireland, where there was a substantial 20.2% increase, bringing the figure to 13% in 2023. England experienced a 2.1% rise, while both Scotland and Wales saw declines of 4.8% and 3.8% respectively, although Wales still boasts the highest percentage of fast growth female-led companies at 15.9% in 2023.
- The overall percentage of active ethnic minority female-led companies decreased very slightly by 0.8% between 2022 and 2023 (22.21% to 22.02% respectively) however the overall percentage remains consistent with the year prior. The most notable drop occurred in Northern Ireland, where this fell by 10.5%, although it remains the highest among the four nations with 23.9% in 2023. Slight decreases occurred in both England (1%) and Scotland (0.5%), while Wales was the only country to increase its share by 4% to 21.2%. **(Figure 4)**
- Among the nine regions of England, the South West and the West Midlands had the highest proportion of active ethnic minority female-led companies, roughly comparable to Northern Ireland, although both regions experienced declines (2% and 2.7% respectively) over the past year. The East Midlands was the only region in England to see an increase, rising by 2.6%.
- Ethnic minority-led companies exhibit slightly higher female representation in leadership roles (22% in 2023, slightly down from 22.2% in 2022) than in all active female-led companies combined (20.14% in 2023 and 20.15% in 2022).
- The most significant change in the proportion of female-led companies across different generations in the UK was observed among Gen Z, which decreased notably by 7.5% to 21.33% in 2023. There was a smaller decrease among Millennials by 1%. In 2023, negligible changes were seen among the Silent Generation (-0.5%), Boomers (0.4%), and Gen X (0.2%). **(Figure 5)**

“The overall share of female-led EIS-qualifying companies that secured funding stood at 17.3% in 2023, down on 2022 when it was 19.1%”

**Figure 5** - The percentage change of active female-led companies by generation

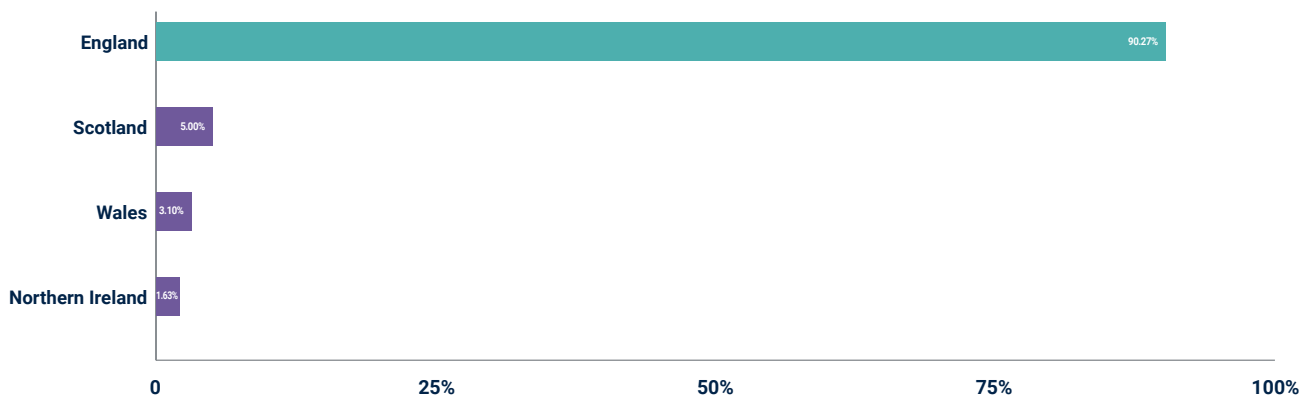


# Investment and funding insights

- From 2022 to 2023, the overall number of active companies that secured all forms of external capital decreased by 1.68%.
- Companies in England took the majority of secured funding at 91.8% and 90.2% respectively across the two-year period. This is significant and shows the breadth of the disparity between secured funding across the four nations. (Figure 6)
- The differences in percentages between Scotland (5.06% and 5.0%), Wales (3.1% for both years) and Northern Ireland (1.6% for both years) are much smaller. Comparatively, Scotland still secures roughly three times more funding than Northern Ireland. Although the nations' percentages are correlated to population size, Northern Ireland is disproportionately affected, highlighting issues securing funding for active female-led companies.
- None of the Home Nations saw an increase in funding for female-led companies. Between 2022 and 2023, England saw a 1.6% decrease over the previous year, which is equal to all secured funding in Northern Ireland. This decrease was the largest seen across all four nations.
- Between 2022 and 2023, seven out of the 12 ITL1 regions saw percentages of secured funding decrease. The changes ranged from 1.35% to -1.31%. The largest positive change was in London and the largest negative change was in Scotland. This is against an overall backdrop of the numbers of companies securing funding decreasing.
- London dominates against other regions securing 23.3% of funding, followed by the South East (15.8%) and the North West (10.1%).
- Male-led companies continued to secure disproportionately higher levels of funding than female-led companies, 62.9% compared to 18.2% for 2023.

**“From 2022 to 2023, the overall number of active female-led companies that secured all forms of external capital decreased by 1.68%”**

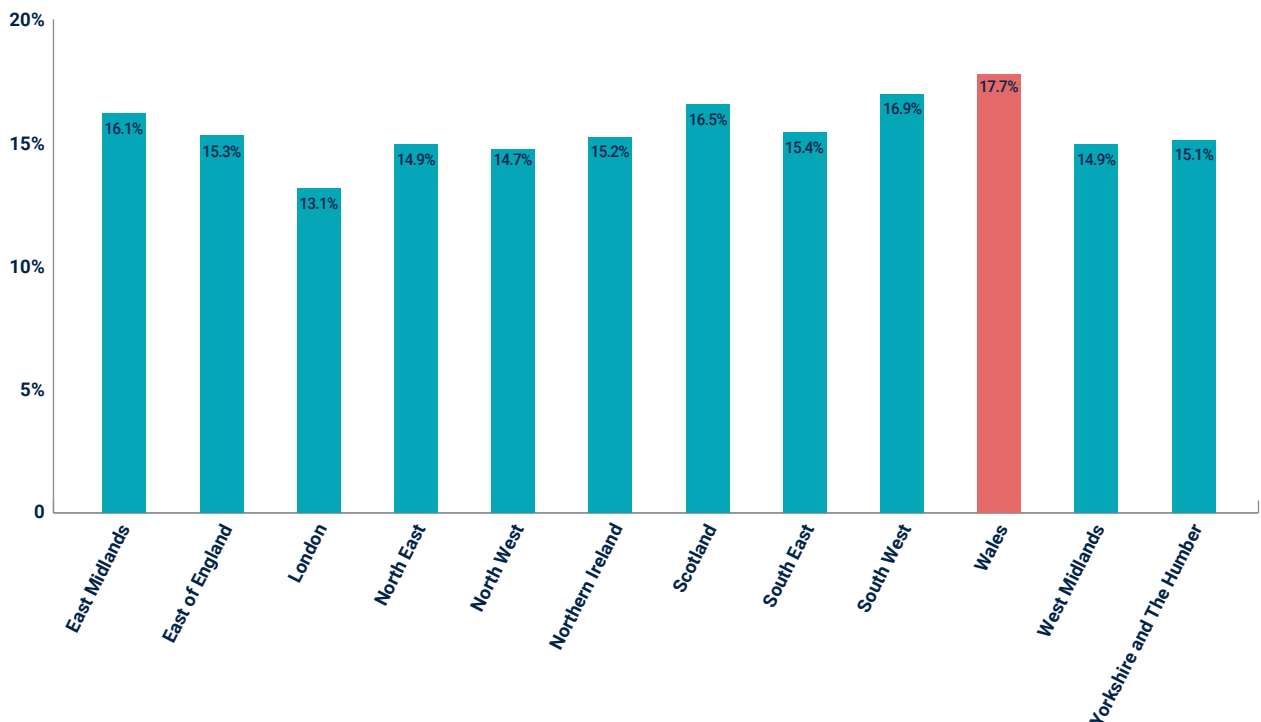
**Figure 6 - The allocation of funding across the Home Nations**



# Secured debt insights

- From 2022 to 2023 the overall number of companies that accessed secured debt increased by 2% from 640,777 to 653,038. (Figure 7)
  - Companies in England took the majority of secured debt funding at 88% respectively across the two-year period. This is significant and shows the breadth of disparity between secured funding across the four nations, however it is marginally lower than equity investment capital secured as highlighted previously.
  - The difference in percentages between Scotland (5.87% and 5.83%), Wales (3.3% for both years) and Northern Ireland (2% for both years) are much smaller. Comparatively, Scotland still secures roughly 2.5 times more funding than Northern Ireland. Although the nations' percentages are correlated to population size, Northern Ireland is disproportionately affected, highlighting issues securing funding for active female-led companies.
  - Female-led companies are most likely to use debt financing in Wales (17.6%) followed by Scotland (16.4%), Northern Ireland (15%) and England (14.8%).
- Within England, the South West (16.7%) was the highest ITL1 region and London (13.3%) was the lowest.
  - Between 2022 and 2023, all 12 ITL1 regions saw the use of secured debt rise. The changes ranged from 0.08% to 4.42%. The largest positive change was in London and the smallest positive change was in the South East.
  - London dominates against other ITL1 regions securing 23.8% of secured debt funding, followed by the South East (14.0%) and the North West (10.3%). These trends broadly follow those in the equity investment landscape described previously.
  - Within EIS qualifying companies that secured funding, male-led companies continued to secure disproportionately higher levels of secured debt than female-led companies – 62.7% compared to 15% for 2023. While the male-led total follows the same pattern as equity investment, the female-led percentage is lower with only 15% using secured debt funding. This indicates a significant opportunity for female-led companies and lenders.

Figure 7 - Secured debt by ITL1 region



# DIVERSITY VC

## Diversity VC

**Accurate, up-to-date data on female-led companies is helping Diversity VC advise venture capitalists on their diversity, equity and inclusion initiatives**

Diversity VC is a membership organisation for venture capital, dedicated to advancing diversity, equity and inclusion across the industry to unlock its full economic potential. Combining VC sectoral and specialist DEI expertise, we provide the resources, support and network required for firms to create bespoke DEI strategies, empowering VCs to instigate change.

As venture capitalists, we recognise our role in encouraging innovation and are at our best when fostering diverse perspectives and unconventional views on the future. Yet historically, we have bypassed this key ingredient, creating imbalance in the scales of opportunity and hindering our economy.

In 2016, we initiated critical dialogue with the formation of Diversity VC, challenging norms and advocating for the advancement of diversity, equity and inclusion to unlock venture capital's full potential within the British economy. We have built credibility as the first mover in the sector providing data, and to do this we have established a deep understanding of where the industry has come from and where it needs to go. Our key differentiator is our intersectional approach to data collection.

For our 2023 UK Equity Record, we needed a broader perspective on demographic data, taking a deep dive into socioeconomic diversity, as well as gender and ethnicity data. Not only did we want to look at who the UK's venture capital ecosystem consisted of, but for the first time we wanted to measure how they were feeling about their funds' DEI progress. These intersectional perspectives reveal a richer picture of human experience and have enabled us to create a set of actionable tools we can tailor



to individual businesses that VCs can use to drive change within and through their firms.

The Gender Index data provided the foundation for all our research. We were able to gain a rich and detailed picture of the gender makeup and breakdown of the venture capital ecosystem. Using that as a base, we then used survey data and other tools to augment the demographic data provided by The Gender Index. We now have an incredible intersectional dataset that enables us to go beyond demographics to capture the sentiments of those in our ecosystem, becoming ever richer. We couldn't have done this without the bedrock data and insights provided by The Gender Index.

**Ladi Greenstreet**  
CEO  
*Diversity VC*

# England narrative

In partnership with Prof. Stephen Roper of Warwick Business School and the Enterprise Research Centre

In this report we provide an overview of information from The Gender Index across 2023 with a focus on England. The period covered by this report was therefore shaped by anaemic national economic growth, sharp increases in prices and costs, high interest rates and for some companies on-going issues with staff recruitment and retention.

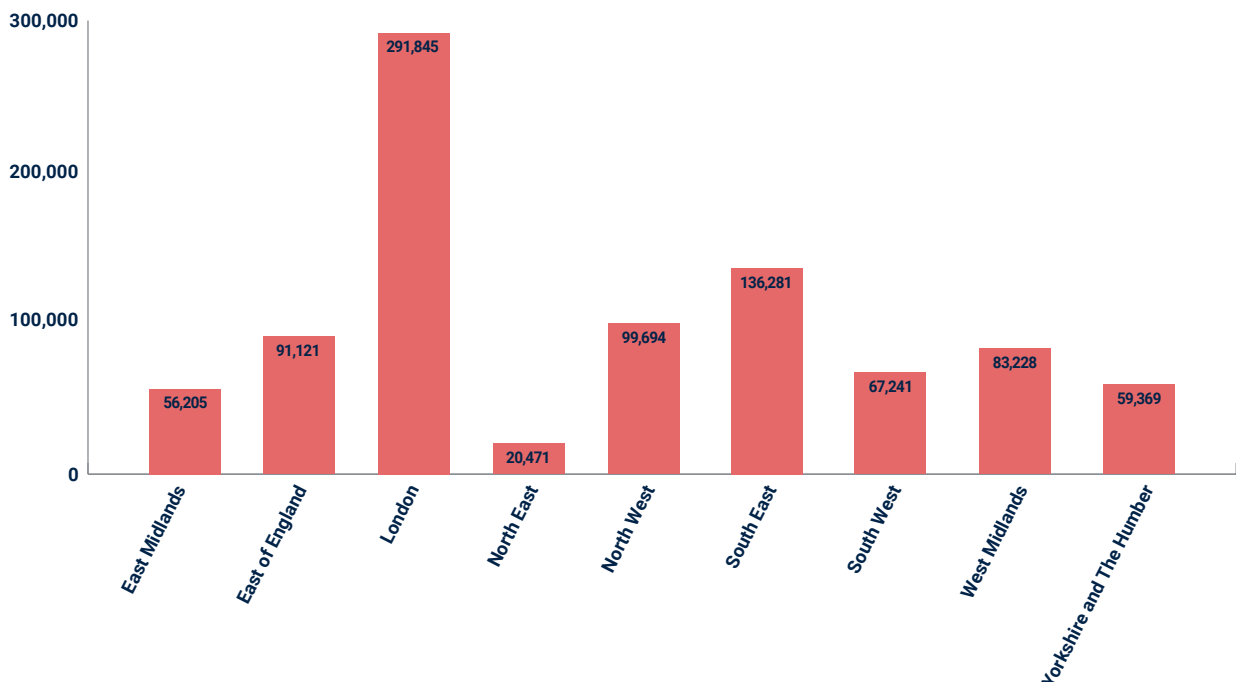
Business trends in 2023 also follow a general growth in the size of the UK business population over the previous decade, with the growth driven particularly by the smallest companies. More specifically, between 2022 and 2023 the total UK company population increased by 231,000 (4.9%). This growth was driven disproportionately by the smallest, non-employing companies, for example those operated by a single individual or by partners not employing anyone else in the company.

Similar long-term trends are also evident in terms of entrepreneurial activity, as reflected in the UK Global Entrepreneurship Monitor (GEM) survey. The findings from the most recent GEM survey suggest that around 12% of UK adults aim to start a business in the next three years, which is double what it was a decade earlier. The number of individuals in the early stages of setting up a new business is also now at the highest level since the GEM Global project started in 1999 and is a clear indicator of the entrepreneurial creativity and resilience of the UK.

The GEM survey also found that there have been changes in the composition of the entrepreneurial population. There has been a significant rise in female early-stage entrepreneurial activity in recent years, and youth entrepreneurship has also increased over the last 20 years. In 2022, the survey found that individuals aged less than 35 were significantly more likely to be involved in early-stage entrepreneurial activity compared to older people.

A consistent finding of the GEM survey is that entrepreneurship levels among immigrant groups are also significantly above those of UK born life-long residents. In 2022, the headline entrepreneurship rate for immigrants was 13.7 per cent compared to 8.7 per cent for life-long residents. These trends are echoed in The Gender Index data for 2023, which relates primarily to the stock of active business population (rather than entrepreneurship). (Figure 8)

Figure 8 - English regions by active companies



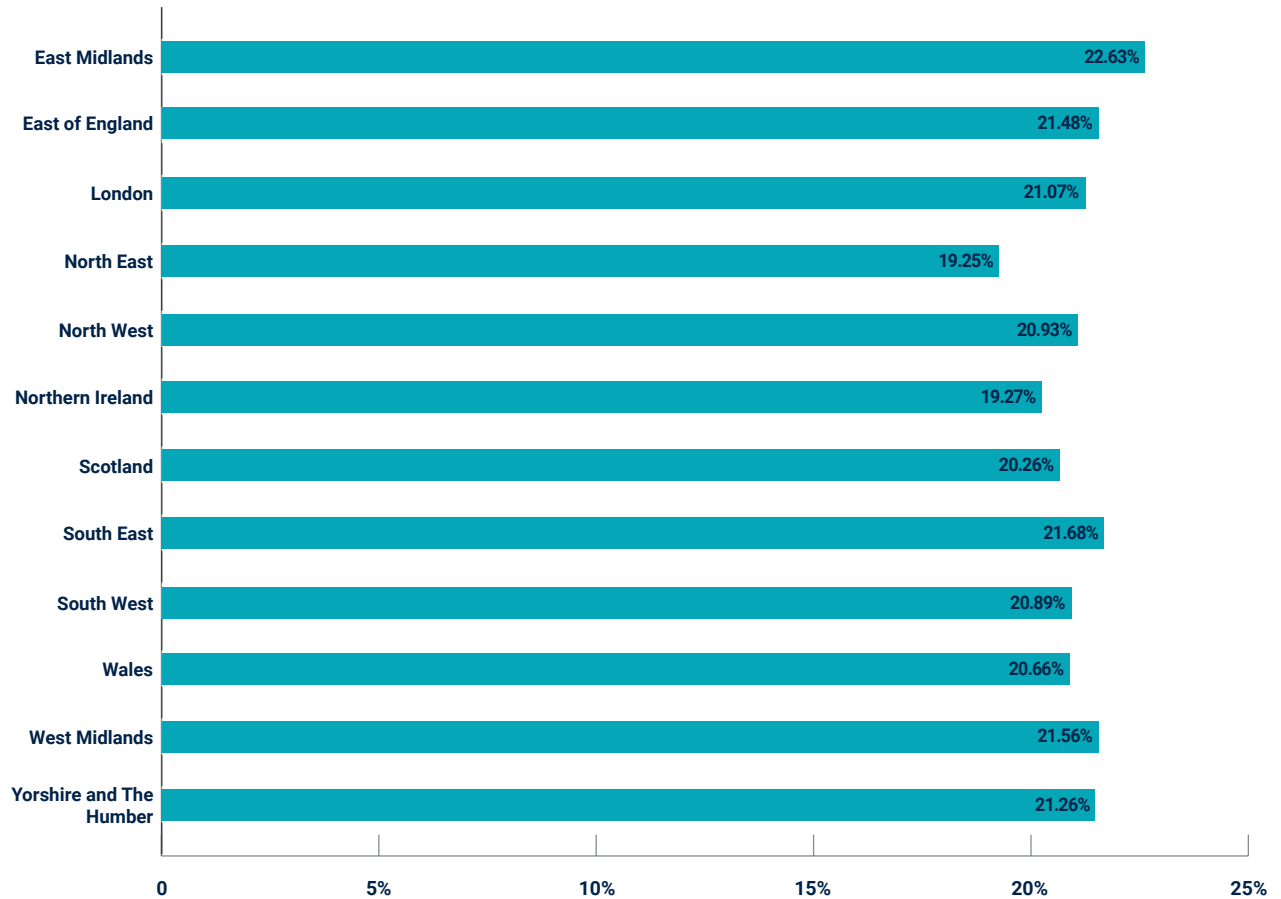




## ■ Key England findings

- In 2023, 20.2% of active companies in England were female-led (2022, 20.3%). Within England rates of female leadership varied significantly from a high of 20.9% in the West Midlands, to a low of 18.4% in the North East of England. The percentage of active companies which were female-led in England was higher than that in each of the devolved nations.
- In 2023, there was a higher share of female leadership in England in terms of incorporations (21.2%) than in Wales (20.7%), Scotland (20.3%) and Northern Ireland (19.3%). The female-led share of incorporations in England represents a slight fall on 2022 (22.3%). (**Figure 9**)
- The share of ethnic minority-led companies which are female-led in England is 22.0%, a figure marginally higher than in Wales and Scotland but lower than in Northern Ireland.
- Among English ITL1 regions, the highest proportion of ethnic minority female-led companies is found in the South West (23.9%), with the lowest rate in the North East (20.3%).
- The Gender Index also classifies company leadership into generations. In the East of England, the North East and South West, female leadership is most common among those companies led by the oldest group of entrepreneurs – the Silent Generation. By contrast, in the East and West Midlands, Yorkshire and the Humber, and the North West, female leadership is most common among companies in the much younger Gen Z group.
- As other evidence suggests that younger entrepreneurs are associated with faster growth, this bodes well for the future growth of female-led companies in these regions.
- Information in the Gender Index also relates to companies' use of secured debt. In terms of companies with secured debt, 15.1% were female-led. Here the share of companies with secured debt which were female-led was higher in each of the Home Nations than in England, reaching a peak of 17.7% in Wales.

**Figure 9 - 2023 female-led incorporations by percentage**



- Turnover growth varies widely among companies, but a consistent pattern emerges across almost all UK regions and nations. Female-led companies grew sales more rapidly than their male-led and mixed-leadership counterparts from 2022 to 2023. The difference in growth during the 2022-23 period was particularly marked in the East Midlands, North East, North West, South West and South East.
- These higher average growth rates among female-led companies are also reflected in an over-representation of female-led companies in the group of fast growth companies (compared to the reference group of companies with 10 or more employees).
- However, of those companies classed as fast growth between 2022 and 2023, female-led companies accounted for 12.4% across the UK, and 12.3% in England (12.0%, 2022).

**“A consistent pattern across almost all UK regions is that female-led companies grew sales more rapidly than their male- and mixed-leadership counterparts”**



- Female-led companies are under-represented in importing and exporting companies, accounting for 13.2% of importers and 12.6% of exporters. In each case female-led representation among importers and exporters in England is very close to the UK average, although female-led shares in England are generally above those in the Home Nations, with the exception of exporting in Wales.
- In terms of companies with secured debt, 15.1% of all English companies were female-led.
- England had a higher number of investors of each type relative to the population, although the proportion of investors varied significantly between regions and between investor types. Across all investor groups, London had the highest number of investors relative to population, followed by the South East. The lowest numbers of investors relative to population occurred in the North East, with the proportion of repeat angel investors here being particularly low relative to other regions.
- More females were family investors in each English region, while angel investors and repeat angel investors were more likely to be males in each region.

**“More females were family investors in each English region, while angel investors and repeat angel investors were more likely to be males in each region.”**



# Scotland narrative

In partnership with Prof. Eleanor Shaw OBE, Prof. Sreevas Sahasranamam and Dr Saurabh Lall of the University of Glasgow; Dr Samuel Mwaura of the University of Edinburgh; and Dr Aylin Ates and Dr Paul Lassalle of the University of Strathclyde

Scotland's economy, undergoing a transformation towards service and technological sectors, presents a fertile ground for entrepreneurship. This evolution, however, brings to light significant barriers for female entrepreneurs, such as access to capital, networks and support systems, which are crucial for the establishment and growth of their businesses.

The Scottish Government and various organisations are working to support entrepreneurs through initiatives aimed at fostering a more inclusive and supportive environment for female entrepreneurs. Efforts to reduce the gender gap in entrepreneurship and provide equal opportunities for all reflect a growing recognition of the importance of diversity in driving innovation and economic growth.

Programmes like the Growth Advantage Programme and the Aspire Fund are illustrative of efforts to mitigate these barriers, aiming to provide female entrepreneurs with the tools and resources necessary for success. The Pathways report, in particular, offers a comprehensive overview of the state of female entrepreneurship in Scotland and outlines strategies for fostering a more inclusive environment. Similarly, the National Strategy for Economic Transformation (NSET) framework signifies governmental acknowledgment of the need for economic policies that support gender equality and the empowerment of women in the business sector.

**“Between 2022 and 2023, Scotland reported the highest decrease in the share of female-led companies among all Home Nations”**

Collectively, these initiatives reflect a broader movement towards addressing gender disparities in entrepreneurship. They highlight the importance of creating a supportive ecosystem that encourages the participation of women in Scotland's economy, recognising their potential to drive innovation and economic growth. By focusing on equitable access to resources, mentorship and networks, Scotland aims to not only enhance the prospects for female entrepreneurs but also to strengthen its economy as a whole.

## ■ Key Scotland findings

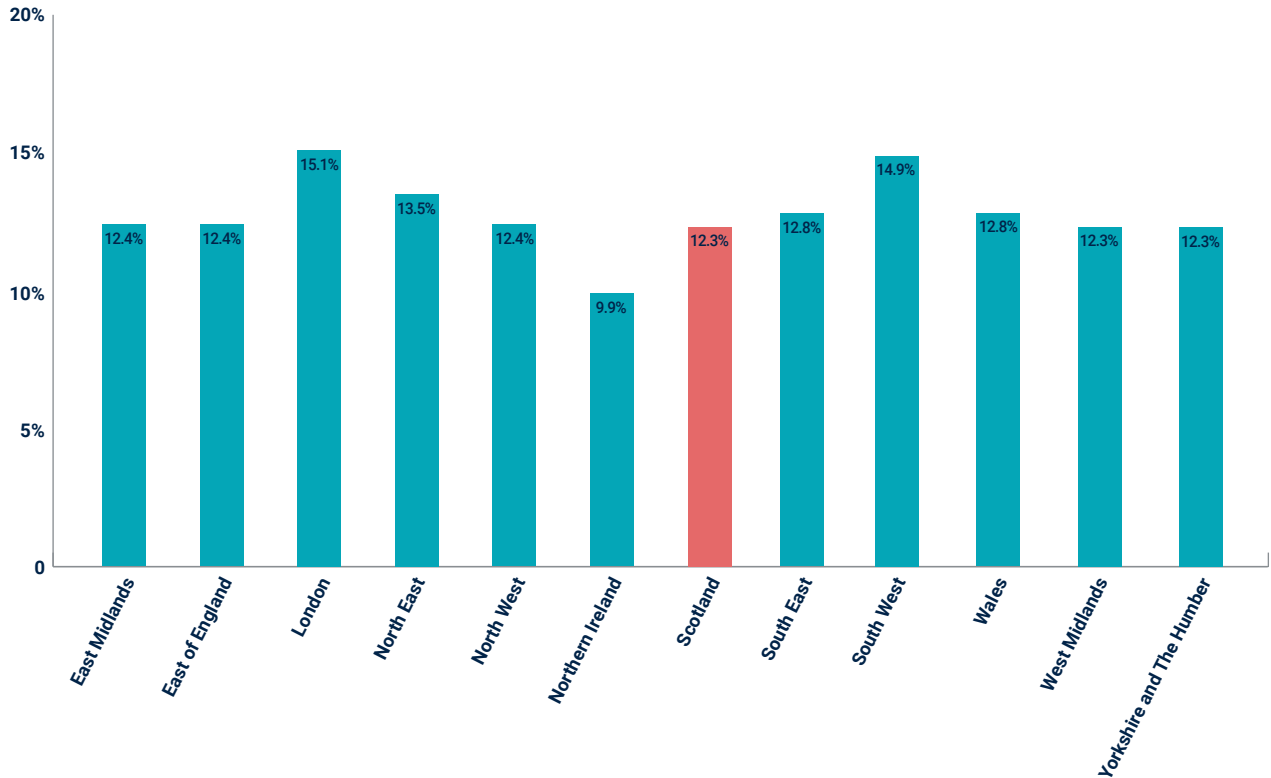
- In 2023, 20.3% of all new incorporations in Scotland were female-led, similar to the share of new incorporations in 2022 which stood at 20.6%. Female participation rates in new incorporations in Scotland in 2022 and 2023 trailed the UK average.
- The number of new female-led companies in Scotland grew by 11%; more than the UK figure of 7% but less than the number of new male-led Scottish companies which grew by 13%.
- The share of total active female-led companies in Scotland remained at just under 20% in 2023, a notch below the rates for the UK (20.1%) and England (20.2%) but on a par with Wales (19.7%) and slightly above Northern Ireland (17.8%).
- Between 2022 and 2023, Scotland reported the highest decrease in the share of female-led companies among all Home Nations.
- Despite these Scottish growth rates, the number of active female-led companies in Scotland equals only one third of male-led companies. This suggests that the higher growth rate for female-led companies is explained by their lower base.
- In 2023, only 13.6% of fast growth companies in Scotland were female-led. This suggests

**“The number of new female-led companies in Scotland grew by 11%; more than the UK figure of 7%”**

that in addition to female underrepresentation in the total stock of active companies, there is even more severe female underrepresentation in fast growth companies – especially when the rate in Scotland is slightly higher than the UK average and only second to Wales’s leading rate of 16%.

- Looking at fast growth companies with more than 10 employees – which account for about 0.1% of all active companies in Scotland – figures show that the share of female-led companies dropped to 7.4% in 2023, down from 8% in 2022. Given that the overall share of female-led companies in Scotland is almost 20%, these figures suggest that although the overwhelming majority of Scottish companies are micro-sized (up to 10 employees), women are vastly underrepresented among fast growth companies with over 10 employees.

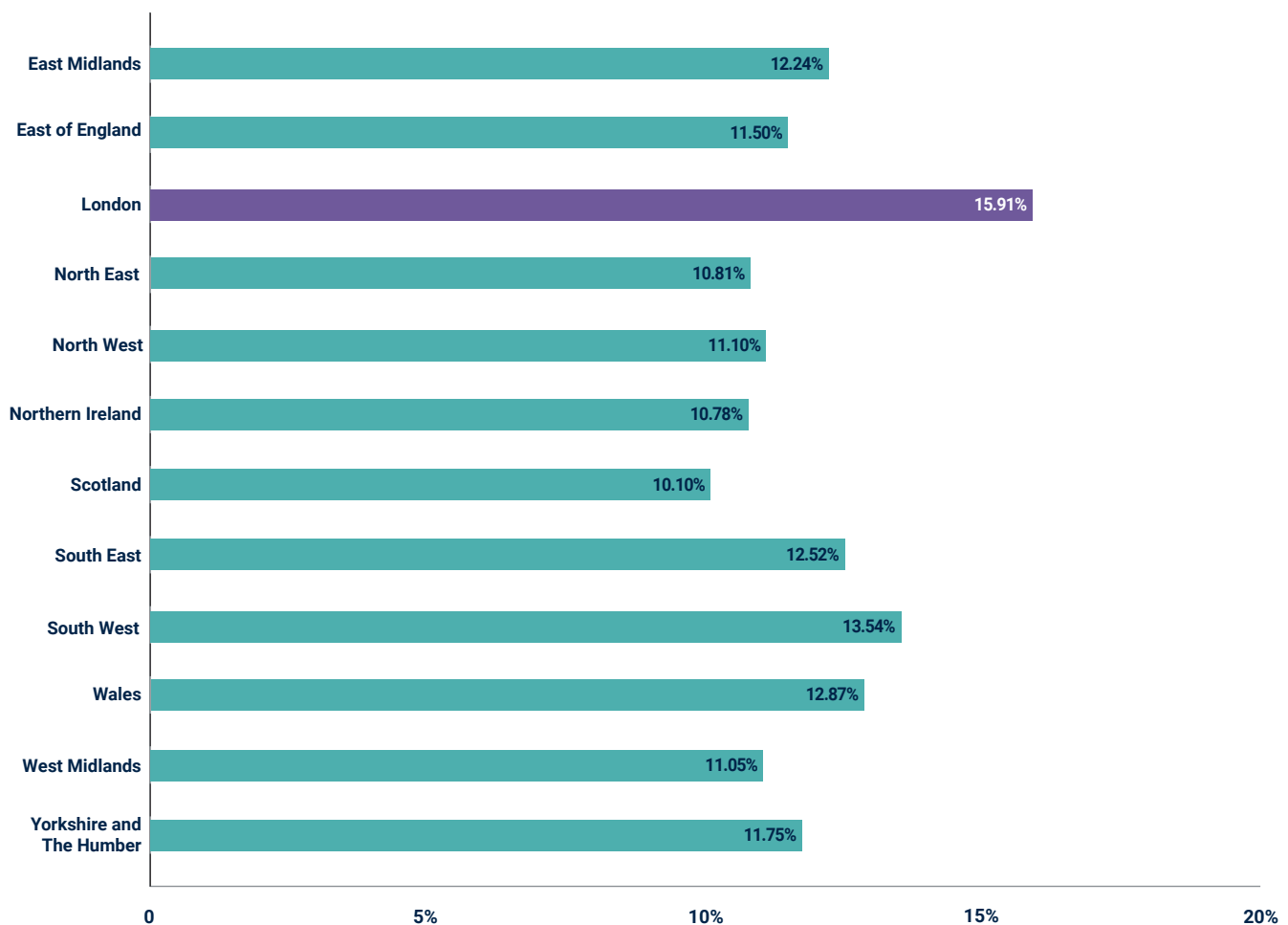
**Figure 10** - Percentage of female-led companies importing in 2023



- In Scotland it is notable that mixed-led fast growth companies experienced the least decline, suggesting that the few mixed-gender leadership teams that exist are enhanced by female participation in the leadership of fast growth companies, and that such companies performed better in the face of a significant decline in the number of fast growth companies across the UK.
- Between 2022 and 2023, there was a decrease of 4.5% in the number of female-led companies that have managed to raise external equity investment.
- The number of EIS-qualifying female-led companies that secured external equity dropped from 2022 to 2023, suggesting a reduction in equity capital for female-led companies in 2023.
- The number of female angel investors in Scotland has largely remained the same between 2022 and 2023.
- Scotland has a higher number of female love investors than male love investors, suggesting that social capital and family networks may be especially important for female investors and business owners.
- The proportion of ethnic minority female-led companies in Scotland is 21.5% which is only slightly lower than the UK average of 22%.
- In Scotland in 2023, among all active companies, the most active female-led generation was the Silent Generation (20.7%) followed by Millennials (20%), Gen X and Gen Z (both at 19.1%) and Boomers (18.7%). Apart from Boomers, Scotland is slightly behind the rest of the UK and behind the UK average in all other generations of female-led companies.
- In 2023, the proportion of female-led companies in Scotland engaged in importing is 12.3%. Scotland has a higher proportion of female-led importing companies than Northern Ireland (9.9%) but below the UK average of 13.2% and the other Home Nations. (**Figure 10**)

- In 2023, the proportion of female-led companies in Scotland engaged in exporting is 10.1%, while the UK average is 12.6%. Scotland has the lowest rate in the UK in terms of female-led exporting companies, positioning Scotland the lowest performing ITL1 region. (Figure 11)
- As internationalisation is an effective way to achieve sustainable growth for new ventures, the very low levels of female-led companies engaged in import and export in the UK and in Scotland may be one factor impacting on their growth trajectories.
- Targeted support to identify and address challenges may be useful in supporting the internationalisation of female-led companies.
- The proportion of international-oriented female-led companies is lower than the male-led companies; for example, among all female-led companies in Scotland, only 1.3% are importers and exporters while among all male-led companies in Scotland, 4% are importers and exporters.
- 16.5% of female-led companies obtained secured debt which is 3.2% higher than London. This may reflect that debt providers in Scotland are more willing to provide debt capital to female entrepreneurs. Wales had the highest proportion of female-led companies obtaining secured debt (17.6%), while Northern Ireland at 15% is lower than Scotland. From these insights, it might be suggested that at least in Scotland and Wales, a lack of risk capital may be one of the factors restricting the growth of female-led companies.

**Figure 11 - Percentage of female-led companies exporting in 2023**



# Wales narrative

In partnership with Prof. Andrew Henley of Cardiff University

Companies in Wales have faced challenging economic headwinds in 2023, especially small and medium sized companies which make up the vast majority. They have been impacted by economic slowdown, high energy prices and the effects of austerity and inflation on consumer spending. As a result, the number of newly incorporated companies in Wales has fallen slightly from the 2022 total. It is therefore reassuring that the proportion of female-led companies in Wales has continued to improve slightly to catch-up with the UK overall rate.

A new Economic Mission was launched by the Welsh Government's Minister for the Economy in autumn 2023. Informed by the Wales Well-being of Future Generations Act, its goals seek to balance inclusive and sustainable economic outcomes with productivity growth and innovation. Although aspirations for greater gender equality and inclusion are not explicit, these might be seen as implicit in the overall policy framework and its ambitions.

The Development Bank of Wales continues to play an important institutional role for small business support in Wales. In the continuing recovery from the COVID pandemic, the Bank supports a high proportion of female-led companies. The recommissioning of Welsh Government-funded business start-up and growth support in the new post-EU funding landscape is challenging, as business support competes for funding under current Welsh Government budgetary constraints. Recently announced reductions in the level of support available through Non-Domestic (Business) Rates Relief for small businesses have been met with concern. However, small business formation and growth in Wales is also supported more widely through the activities of four regional Growth Deals at various stages of roll-out, alongside Shared Prosperity Fund allocations through the 22 Welsh local authorities.

**“In the continuing recovery from the pandemic, The Development Bank of Wales supports a high proportion of female-led companies”**

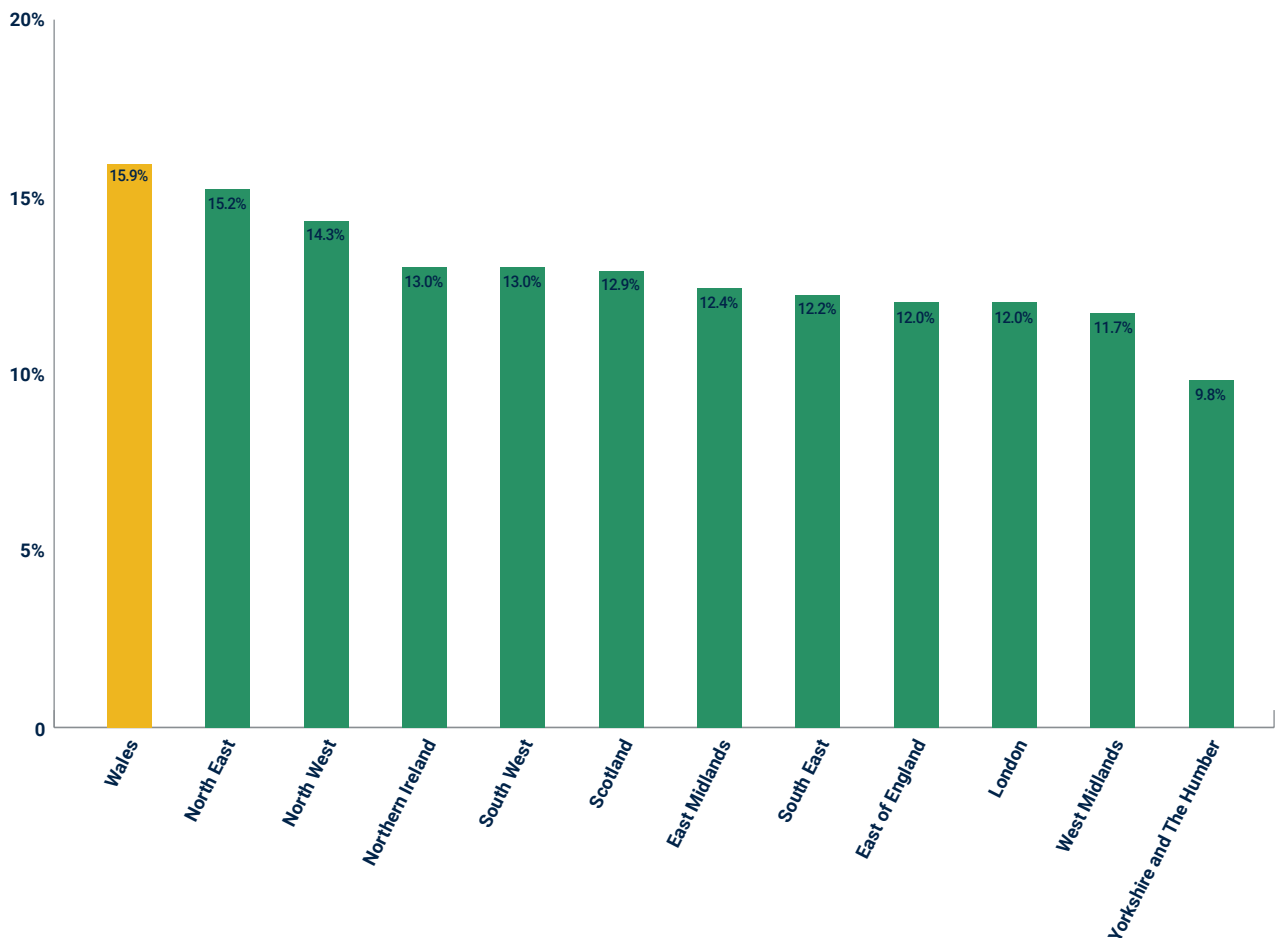
The latest Gender Index data shows that for Wales the percentage of active companies that are female-led continued to improve slightly to 20.7% in 2023, building on past gains between 2021 and 2022. In fact, the total number of active female-led companies in Wales has grown by 500 between 2022 and 2023, suggesting that, although the number of new companies has fallen, survival rates of female-led companies in Wales are improving. A total of 36.1% of active Welsh companies in 2023 were led either entirely by women or by mixed gender teams.

Overall, the number of fast growth companies in Wales remains small. However, Wales continues to enjoy the highest proportion of fast growth companies that are female-led across all UK regions and devolved nations. The female-led proportion in Wales of just under 16% is well above the overall UK rate, although this percentage, along with the absolute number of female-led fast growth companies, has declined in Wales after an impressive rate of 16.6% in 2022.

# Key Wales findings

- Wales continues to perform well in the proportion of EIS-qualifying companies securing external finance which are female-led. Across all forms of external finance, Wales again has the highest success rate for women across the UK, and the proportion in Wales has grown significantly between 2022 and 2023. (Figure 12)
- In 2023, Wales had a total 157,977 active companies, of which 19.7% were female-led. This is slightly below the overall UK rate of 20.1%. However, the total number of active female-led companies in Wales has increased by around 500 between 2022 and 2023, and the rate has improved, consistent with Wales converging on the UK female-led rate.
- 36.1% of active companies involved female leadership, either in all female or in mixed gender teams. This is a little below the overall UK rate of 36.9% but is an increase on the 2022 rate of 35.6%.
- Wales is also catching up with the UK in the proportion of newly incorporated companies which are female-led. The rate for 2023 was 20.7%, up slightly from 20.4% in 2022, over a period when the UK rate decreased. The number of female-led newly incorporated companies in 2023 was slightly lower than in 2022. However, combined with the increase in the female-led active companies in total, this is consistent with an improved survival rate for female-led companies in Wales.
- 15.9% of fast growth companies in Wales in 2023 were female-led. Wales has the highest proportion of female-led fast growth companies across all UK Home Nations and regions, well above the overall rate of 12.4%. There has been a drop in the total in Wales since 2022 and, although still high, the female-led rate in Wales has fallen from 16.6% in 2022.

Figure 12 - Percentage of female-led fast growth companies

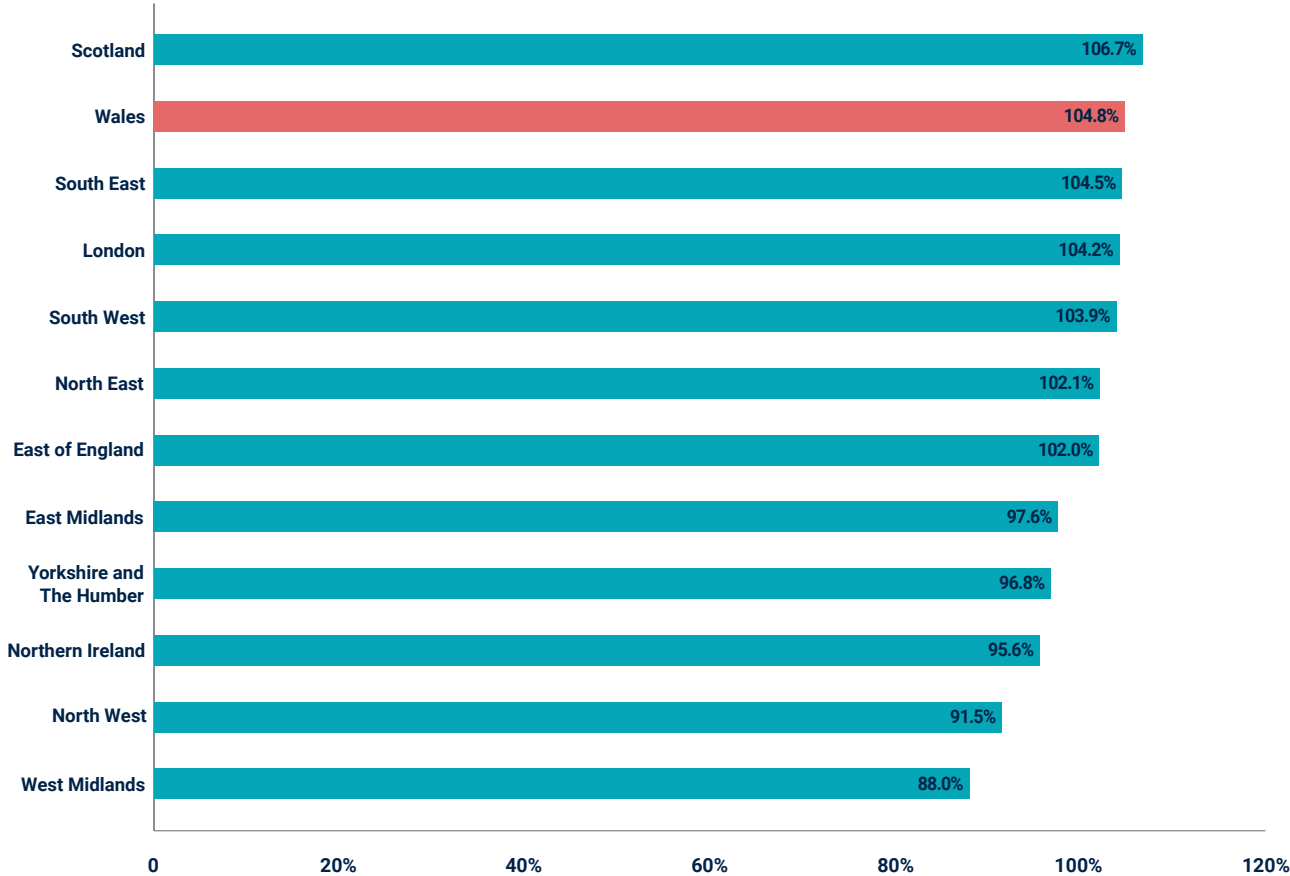


- In Wales during 2023, 19.4% of companies securing external capital in any form were female-led. This is up from 2022, although the total number of companies securing external finance in Wales was down slightly in 2023.
- Angel investors provided the biggest source of external investment capital in Wales. 29.9% of female-led companies secured solely angel investment and a further 4.37% secured angel investment in combination with other forms, especially family capital.
- 17% of the total EIS-qualifying female-led Welsh companies secured external capital in 2023. This rate is significantly higher than in any other UK devolved nation or region. This has increased substantially from the 2022 rate of 15.8%.
- Of all ITL1 regions, Wales had the second highest growth in the number of EIS qualifying companies (104.8%) behind Scotland (106.7%). Seven regions saw a growth in the overall number whilst five regions saw a decline. (Figure 13)

**“At 15.9%, Wales has the highest proportion of female-led fast growth companies, well above the UK rate”**

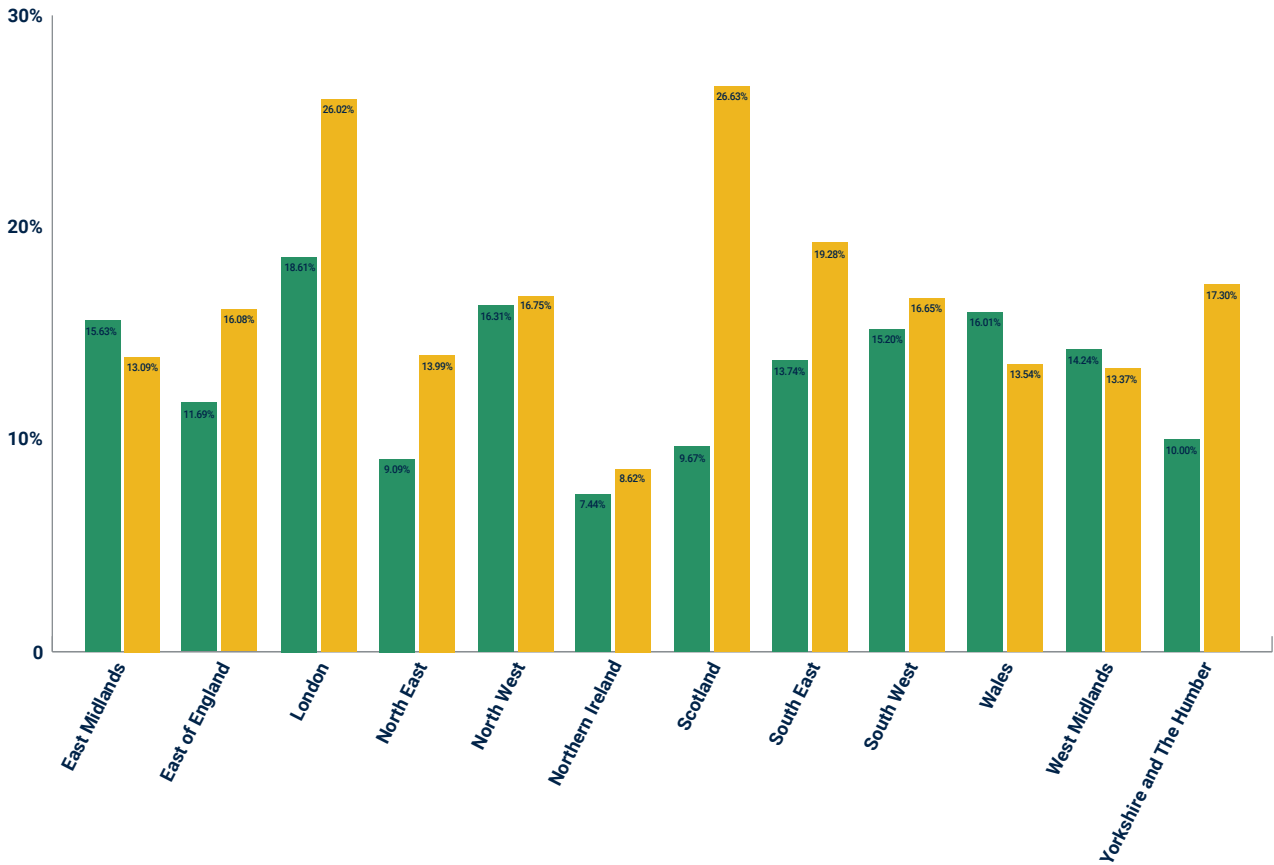
- There has been some improvement in the proportion of ethnic minority female-led companies in Wales between 2022 and 2023. 21.2% of ethnic minority companies are female-led, with a further 7.7% led by mixed-gender teams. However, Wales remains a poor performer on this indicator when compared to the rest of the UK.

**Figure 13 - The growth in active EIS qualifying companies by ITL1 region**



**Figure 14 - 2023 turnover growth by gender and ITL1 region**

■ Avg. growth female-led companies  
 ■ Avg. growth male-led companies



- Female-led companies in Wales achieved average turnover growth in 2023 of 16.0%. This is significantly higher than the average growth rate for male-led companies, and slightly higher than for mixed team companies. The female-led growth rate in Wales has improved considerably between 2022 and 2023 and is now above the UK average. (Figure 14)
- The highest proportion of female-led companies by generation in Wales remains in the oldest Silent Generation group, at 21.8%. Rates for other generational groups are only slightly lower at between 19.2% and 20.1%. For Boomers the female-led rate in Wales is above the UK figure, but rates for Wales are below the UK for the two youngest generational groups. However, the Gen Z proportion has improved, up from 18.5% in 2022 to 20.1% in 2023.
- Companies in Wales are not as internationalised as those in the UK as a whole, with only 2.7% of both importers and exporters located in Wales (compared with 3.2% of all active companies).
- The female-led rate for importers, at 12.8%, is below average turnover growth in 2023 of 16.0%. This is significantly higher than the average growth rate for male-led companies, and slightly higher than for mixed team companies. The female-led growth rate in Wales has improved considerably between 2022 and 2023 and is now above the UK average. (Figure 14)
- The 12.9% rate for Welsh exporters is above the UK, with only London and the South West showing higher rates in 2023. Combining companies who both import and export shows the same picture, with the rate in Wales only exceeded by those in London and the South West.
- 2.8% of all companies who both import and export, only 11.2% are female-led and a further 13.2% are led by mixed gender teams. The female-led percentage in Wales is just above the UK rate of 10.9%, with Wales ranking third below London and the South West.
- In 2023 Wales retained the record of having the highest female-led proportion of companies that secured external debt across the UK - 17.6% compared to the UK overall rate of 15.0%. The total number of female-led companies in Wales with secured external debt rose slightly between 2022 and 2023. Combining female-led and mixed gender teams, Wales has the second highest proportion across the Home Nations and regions, exceeded only by the South West.



# Northern Ireland narrative

In partnership with Prof. Nola Hewitt-Dundas of Queen's University, Belfast

2023 was a challenging year for companies across the UK, still emerging from the COVID-19 period, rapidly increasing inflation, a highly uncertain international trading environment characterised by disruption to supply chains and escalating energy costs as well as industrial action in key sectors. In Northern Ireland this was compounded by an absence of regional government with the suspension of the NI Assembly. At the same time, economic performance was robust with economic output increasing by 2.2% over the year, reflected in a growth in private sector output by 2.2% and public sector output by 2.0%.

This strong broader economic performance in Northern Ireland was reflected in the growth in company incorporations in 2023. There was a stark increase – 65% – in the total number of company incorporations in Northern Ireland, relative to an increase in the UK of 11.6%. Interestingly, female-led incorporated companies increased by 71.5% between 2022 and 2023, compared to an increase by 38.8% of male-led company incorporations.

Despite this growth, Northern Ireland remains the ITL1 region where female leadership of active companies is the lowest of all regions across the UK. There are therefore some positive signals of greater levels of female leadership, but the gap between Northern Ireland and the rest of the UK regions will take considerable time to close. In the absence of a Northern Ireland Executive and Assembly, policy changes have been limited, with the focus remaining on the 10X Economy – an economic

vision, published in May 2021. This strategy is built on three pillars: innovation, inclusive growth and sustainability. Building a strong knowledge-intensive economy, achieved through investment in education, skills and business research and innovation is core to this strategy. Less obvious is attention to entrepreneurship and promoting inclusivity and economic growth through greater participation of females in company start-up efforts. This may present a gap in policy, but also a real opportunity for economic development in Northern Ireland.

**“Female-led company incorporations increased by 71.5% between 2022 and 2023 compared to 38.8% for male-led companies”**

# Key Northern Ireland findings

- Across the UK, 21.2% of newly incorporated companies in 2023 were female-led. Northern Ireland remains the poorest performing ITL1 region alongside the North East, each with 19.3% of newly incorporated companies being female-led.
- On average, incorporations in 2023 across the UK increased by 11.6%, yet in Northern Ireland there was a disproportionately higher increase of 65.0%.
- Within this increase, female-led incorporations were up 71.5% on the year prior which compares to an increase of only 38.8% for male-led incorporations.
- In 2023, 17.8% of active companies in Northern Ireland were female-led. Northern Ireland continues to be the ITL1 region where the percentage of female-led companies is the

lowest of all regions across the UK, however the number of female-led active companies increased by 11.6% compared with male-led companies, which increased by 7.9%.

**“13% of fast growth companies in Northern Ireland were female-led, higher than the UK average of 12.4%”**

**Figure 15** - Female-led active companies by generation in Northern Ireland





- Northern Ireland has the lowest proportion of companies that are ethnic minority-led at 15.2% compared to a UK average of 39.9%. However, when comparing ethnic minority female leadership, Northern Ireland and the South West of England have the highest proportion of female-led companies at 23.9% each against a UK average of 22.0%.
- Gen X dominates company leadership in Northern Ireland, accounting for 45.6% of all active companies, followed by Millennials at 28.9%. (**Figure 15**)
- The Boomer and Gen X generations account for a higher proportion of companies compared to the UK average (19.6% and 45.6% respectively). Northern Ireland has proportionately fewer Gen Z and Millennial-led companies compared to the UK average.
- Across the generations, female-led companies are underrepresented in Northern Ireland with the exception of the Silent Generation (23.1%) when compared to the UK average (21.7%).
- Among the ITL1 regions, Northern Ireland had the lowest share of importers – 1.1%.
- During 2023, only 0.6% of all female-led companies in Northern Ireland engaged in importing as compared to 1.3% of male-led.
- Northern Ireland recorded the lowest proportion of companies engaged in exporting of all ITL1 UK regions – 1.08%.

- Female-led companies account for the lowest proportion of these importers (9.9%) and exporters (10.8%) relative to all other ITL1 regions. (Figure 16)
- In Northern Ireland, 0.23% of companies achieved fast growth in 2023 compared to 0.31% on average across the UK.
- In 2022, the proportion of fast growth companies that were female-led was 10.8% in Northern Ireland, behind the UK average of 12.2%. In 2023, however, this profile changed with 13.0% of fast growth companies in Northern Ireland being female-led, higher than the UK average of 12.4% and ranking Northern Ireland a joint fourth with the South West, behind Wales, the North East and the North West.
- In 2023, 35.8% of all active companies in Northern Ireland secured some form of external investment capital. 18.9% of these companies were female-led.
- In Northern Ireland, 1.5% of all active companies were EIS-qualifying in 2023. Of these companies, 26.3% secured external finance.
- Of the female-led EIS-qualifying companies, 20.9% secured investment capital.
- Female-led companies account for a disproportionately low share of EIS-qualifying companies in Northern Ireland (16.8% compared to 62.0% male-led), but are more likely to secure external finance (20.9% of female-led EIS-qualifying companies secured external finance) than male-led EIS-qualifying companies (18.5% of male-led EIS-qualifying companies secured external finance).
- Northern Ireland had the highest proportion of all active companies across all UK regions that secured external debt at 17.0% compared to a UK average of 13.2%. Of these companies, 15.0% were female-led, on par with the UK average, ahead of England (14.8%), but behind Scotland (16.5%) and Wales (17.6%).

**Figure 16 - The percentage of female-led active companies who import in Northern Ireland**





## Saïd Business School, University of Oxford

**Data and insights from The Gender Index have proven invaluable to the Goldman Sachs 10,000 Small Businesses programme at Saïd Business School, University of Oxford**

Delivered by Saïd Business School at the University of Oxford, the Goldman Sachs 10,000 Small Businesses programme provides high-quality, practical education and business support to leaders of high-growth small companies across the country. The Gender Index has proven to be not only eye-opening but an incredibly useful tool, helping us with one of our key objectives – increasing the number of female company leaders supported by the programme.

We recruit small company leaders to participate in a course fully funded by the Goldman Sachs Foundation, set up to help established, high growth small businesses manage their growth and thrive. Ensuring that our cohorts are diverse, and in particular reaching groups underrepresented in the UK small business landscape, has always been a key objective of the programme. The Gender Index literally gives us a map of where to find these individuals.

The data from the 2023 report shows that the highest concentration of female-led companies is in the West and North West of England. Whilst other organisations can use this information to encourage more women to lead companies elsewhere, in the devolved nations, the North East and the South West, we have used it to more easily find the women already leading companies and offer them the tools to succeed. Hopefully they will light the way for other women with entrepreneurial ambitions.

Data about which generations female founders belong to has impacted how we reach the women whose companies are eligible for our programme. The percentage of female-led companies is higher in Gen Z and Millennial groups than for older



generations, which is opposite to the average when you look at company leadership across the entire population. This data is particularly encouraging for the future of UK small businesses.

The Goldman Sachs 10,000 Small Businesses UK programme, delivered by Saïd Business School, University of Oxford, has seen a steady rise in female applicants. Our most recent cohort, which started in February 2024, had 46% female small business leaders. We hope to exceed this in our September cohort and are delighted with the work The Gender Index is doing to highlight inequalities and show us where we can all support women in business.

**By Vivienne Garnett**

*Recruitment & Data Manager*

*Goldman Sachs 10,000 Small Businesses UK  
Saïd Business School, University of Oxford*





AWS provides its customers, including financial services institutions, the ability to differentiate today and adapt to tomorrow by empowering them to modernise their infrastructure, meet rapidly changing consumer behaviours and expectations, and drive business growth—all while supporting the most stringent security, compliance, and regulatory requirements.

[aws.amazon.com/financial-services/](https://aws.amazon.com/financial-services/)

- **Why AWS is supporting The Gender Index:**

The Gender Index (TGI), powered by mnAi, is leveraging unique data sets, and Amazon Web Services (AWS) analytics services, to better understand the size of the gap between male and female led businesses in the UK, the forces driving this gap, and opportunities to better support women-led businesses to close the gap.

“As AWS, we want to demonstrate how data and technology can be used for good in the UK and beyond. We are proud to be supporting our customers to use TGI’s data and insights to help women-led SMEs thrive.” – Karen Bruno, Director - ProServe AWS Industries.

- **AWS programmes and initiatives to support women entrepreneurs and SME’s:**

AWS empowers millions of businesses around the world to create value and drive innovation through cost-effective, on-demand cloud solutions. We’re committed to creating the conditions for organisations of all sizes and in all industries to succeed.

The AWS Activate programme provides startups with a host of benefits, including AWS credits, AWS support plan credits, and architecture guidance to help grow your business and get started quickly on AWS.[1] Startups can activate benefits that are designed to give them the right mix of tools, resources, and expert support so they can succeed with AWS while optimising performance, managing risk, and keeping costs under control.

Our many programmes for founders include our AI bootcamp programme, providing hands-on AI support layered on business, technical and mentorship to 45 female owned AI startups in Europe, Middle East and Africa. The program aims to help level the playing field for female entrepreneurs in the most exciting technology of the 21st century, recognising that the unique perspective women bring to AI is crucial to shaping its future. Our ‘Pitching Better’ workshop series supports founders from underrepresented communities to overcome bias in fundraising. This involves arming business leaders with the tools to recognise biased questions, and provide tactical ways to respond.

In addition to supporting women founders directly, AWS also works closely with investors in the startup tech community to help create opportunities for underinvested founders. For example, we provide underrepresented-focused organisations with AWS Activate credits to support startup companies in their portfolio.

AWS has committed to investing hundreds of millions of dollars to provide free cloud computing skills training for 29 million people by 2025 – reaching people from all walks of life and all levels of technical knowledge, in more than 200 countries, including the UK. As part of this initiative, AWS launched a number of learning and skills programs in the UK, including AWS Educate, AWS Academy, and AWS re/Start.

[1] AWS Activate Credits are subject to the AWS Promotional Credit Terms & Conditions.



Goldman Sachs *10,000 Small Businesses* UK is an investment to help entrepreneurs create jobs and economic opportunity by providing business and management training to high-growth small business owners in the UK.

[www.goldmansachs.com/citizenship/10000-small-businesses/UK/apply/index.html](http://www.goldmansachs.com/citizenship/10000-small-businesses/UK/apply/index.html)

- **Why Goldman Sachs *10,000 Small Businesses* UK is supporting The Gender Index:**

Goldman Sachs has a long-standing history of supporting women's economic empowerment in communities around the world. Through our sector-leading *10,000 Small Businesses* and *10,000 Women* programs, we help to move the needle for women entrepreneurs globally.

The Gender Index is committed to understanding the economic, social and community impact of women entrepreneurs in the UK. By improving visibility of the SME landscape, they know that support for women entrepreneurs can be tailored and enhanced.

We are proud to support The Gender Index to achieve our shared mission: improving the operating environment for women entrepreneurs in the UK, and ultimately helping to close the gender gap.

**Charlotte Keenan**

*Head of the Office of Corporate Engagement International*

*Goldman Sachs*

LinkedIn: [@Goldman Sachs](#)

Instagram: [@Goldman Sachs](#)

Twitter: [@GS10KSmallBiz](#)



## HSBC Innovation Banking

As a committed, long-term partner to the innovation economy, we offer more than commercial banking services. We have the expertise, agility and connections that high-growth technology, private equity, and venture capital businesses need to accelerate.

[hsbcinnovationbanking.com](https://hsbcinnovationbanking.com)

- **Why HSBC Innovation Banking is supporting The Gender Index:**

As the financial partner to the innovation economy, we know that innovation needs different ideas, technologies, and voices to reshape our world.

We also know that there are invaluable perspectives that are still being overlooked.

We support The Gender Index because we know the power of, and need for, transparency about the reality facing the full spectrum of innovators. We firmly believe that what is known and measured can be changed. That's why a clear, objective picture of the reality of the UK's female business community is so important. Not only does it encourage the entire innovation community to reflect on progress made, but also, to identify opportunities to improve gender equality and access to finance and helpful resources.

Said simply, we support The Gender Index because it is a means to inspire change and ensure that initiatives have the required impact.

- **HSBC Innovation Banking's programmes and initiatives to support female entrepreneurs:**

There are two foundations that underpin our efforts to support female entrepreneurs.

The first is the partnerships that we have built with external partners and platforms like The Gender Index. With a focus on actionable insight and sharing transparent, objective data, our work with organisations like Diversity VC, Extend Ventures, European Women in VC and Female Foundry is focused on measurement, and holding ourselves and our community accountable by empowering them to set realistic targets.

The second aspect is change from within. Our DEI strategy consists of 15 key initiatives clustered around Talent, Inclusion, and the Ecosystem, and is built to help our clients, partners, and ecosystem to evolve.

From clear leadership representation targets to our dynamic Employee Resource Groups, we are set up for active advocacy which we're committed to bringing to every part of our network.

LinkedIn

<https://www.linkedin.com/company/hsbc-innovation/>





mnAi, a distinguished multi-award-winning data, insight, and analytics platform, leverages proprietary technology to deliver advanced research, analytics, and due diligence services for all UK companies. With an expansive dataset comprising 12 billion+ data points covering over 11 million UK companies, mnAi has earned the trust of clients relying on its capability to protect, strengthen and elevate their business operations. We believe that data technology can empower rapid change and are proud to work with leading organisations who share these values.

- **Why mnAi is supporting The Gender Index:**

The inception of a national, real-time gender-disaggregated dataset by mnAi marks a paradigm shift, illustrating the profound impact of big data on enhancing socially responsible decision-making processes. By furnishing this real-time data baseline, mnAi is a significant contributor to policy development, empowering policymakers, corporates, and stakeholders dedicated to effecting positive change for women in enterprise. The promotion of a data-driven approach to decision-making ensures that these improvements can be widely disseminated, easily understood, and, in turn, generate greater strategic insight to continually enhance future engagement.

- **How mnAi can help businesses interested in promoting female entrepreneurship:**

mnAi plays a pivotal role in empowering individual businesses to promote female entrepreneurship through its comprehensive dataset. Having mapped the ownership and officer profiles of all UK companies, mnAi allows these businesses to understand the diverse landscape within their entire portfolio aiding them in identifying opportunities to support and collaborate with female-led enterprises. mnAi's encompassing array of financial and non-financial data points, coupled with its comprehensive gender data, transforms into a strategic cornerstone for businesses aiming to champion diversity and inclusivity. The data allows them to make informed decisions that not only benefit their own growth but also contribute to the advancement of female entrepreneurs in the wider business community. By leveraging mnAi's insights, businesses can actively participate in and drive positive changes, creating an environment that encourages and supports female-led initiatives.

mnAi's data and technology empowers our clients in critical areas such as risk mitigation, business development and strategic planning to ensure they not only remain well-informed but also gain a competitive advantage in navigating the dynamic landscape of modern business.

Website - [www.mnai.tech](http://www.mnai.tech)

Twitter - [@ThisismnAi](https://twitter.com/ThisismnAi)

LinkedIn - [www.linkedin.com/company/mnai](http://www.linkedin.com/company/mnai)



## NatWest Group

NatWest Group is a relationship bank for a digital world. We champion potential; breaking down barriers and building financial confidence so the 19 million people, families and businesses we serve in communities throughout the UK and Ireland can rebuild and thrive. If our customers succeed, so will we.

<https://www.natwest.com/business/business-services/women-in-business.html>

- **Why NatWest is supporting The Gender Index:**

Getting more funding to female entrepreneurs and unlocking their untapped potential is a priority for NatWest. We know that women still don't receive all the support they need. Having access to data is an important step in ensuring that we are able to harness those starting up in and also scaling up in business, and to ensure we are able to provide innovative support for businesses across the UK.

- **NatWest programmes and initiatives to support female entrepreneurs and SME's:**

As longstanding supporters of Women in Business we understand the various challenges that women might face when setting up or running their business. Through our Business Builder and Accelerator programmes, and with over 1,000 Women in Business Specialists across the UK who provide tailored support for women looking to start up and succeed in business, we are determined to play our part in helping female entrepreneurs achieve their ambitions.

For more information, search for: 'NatWest Women in Business'

<https://natwestbusinesshub.com/campaigns/insight-and-inspiration-for-women-in-business>

Twitter:

[@NatWestBusiness](https://twitter.com/NatWestBusiness)

[@NatWestGroup](https://twitter.com/NatWestGroup)

# SHOOSMITHS

# SPHERE

Shoosmiths is a law firm clients choose for excellent service, incisive thinking and above all for its ability to focus on what matters. The firm serves UK and international clients from its offices across the United Kingdom and Brussels. Shoosmiths is a trailblazer in client excellence and innovation, winning prestigious industry awards and rankings including winning UK Law Firm of the Year at the British Legal Awards and being ranked as one of Europe's most innovative firms in the FT's Innovative Lawyers Report, 2023.

According to Experian's M&A Review 2023, Shoosmiths' corporate team advised on more transactions in the UK than any other firm, upwards of 400 deals. Shoosmiths were also recognised in Pitchbook's Global League Tables as being the most active firm advising on venture capital transactions throughout 2023, and the second most active across Europe. To assist entrepreneurs navigating the world of venture capital funding, Shoosmiths has recently developed a dedicated [founders portal](#), providing key resources to help business owners unpick the legal implications of the funding process to ensure that their business is investment ready.

To find out more about Shoosmiths and the positive impact the firm is making across its clients, people, and ESG and innovations, please take a look at its [Impact Report 2023](#).

- **Why Shoosmiths is supporting The Gender Index:**

Shoosmiths wants to play a part in ensuring greater gender equality in the SME space and recognises the need for improved quality of data and analysis to identify where there are gender gaps.

This important work will benefit the Shoosmiths' spHERE network, a community supporting female founders and venture capitalists within the venture capital space. The venture capital (VC) and private equity (PE) landscapes in the UK are pivotal in driving innovation and growth. Despite their importance, there exists a notable gender gulf in funding allocation for female founders, and even more so for Black and Asian female founders.

spHERE's goal is to help women to be successful through creating a forum for meaningful networking opportunities, helping to address the disparities that exist between female and male entrepreneurs.

Shoosmiths was featured in the Rose Review Progress Report 2023 highlighting its efforts to support female founded businesses.

Shoosmiths is proud to use its platform to support female founders on their funding journey and to proactively play a part in closing the funding gap through our collaborations and partnerships. Building on the work of the spHERE network, with a second summit on the horizon for 2024, Shoosmiths is a proud partner of the Gender Index.

Website - [www.shoosmiths.com](http://www.shoosmiths.com)

LinkedIn - [www.linkedin.com/company/shoosmiths](http://www.linkedin.com/company/shoosmiths)

# Data sources and methodology

## 1. Company analysis

The Gender Index was conceived to establish a benchmark of the current level of activity undertaken by companies, from large to start-up, across the UK which are owned by female founders. The analysis is based on companies recorded within Companies House and utilises a combination of material made freely available under the Open Government Licence 3.0 and mnAi's proprietary technology that autonomously extracts, processes and cleanses unstructured data. Machine learning algorithms are used to derive an officer's gender and, for smaller companies, business size.

The results have been compiled from an analysis of 11,758,474 UK companies held within the mnAi database. Of the initial results, 6,389,060 were dissolved leaving 5,369,414 active companies. Of the active UK companies, 414,299 belonged to the following classifications and were removed:

- o Dormant and non-trading companies
- o Insolvent companies and companies in administration
- o Companies with no officers
- o Companies with no SIC codes
- o Overseas companies

Where companies have been active during the date range, but have subsequently moved into administration, liquidation or been closed, these have been removed from the calculations. All other companies are active.

This left an active population of 4,955,115 companies.

## 2. Dates

The data analysed covers 01/01/2023 to 31/12/2023.

## 3. Geography

International Territorial Level (ITL) geography hierarchy boundaries, January 2021, were used in the production of the data.

## 4. Director gender

The total number of directors analysed within the 4,955,115 companies was 8,851,604 with the following breakdown:

- Male:	5,911,696	- Female:	2,656,521
- Unisex:	117,773	- Corporate:	165,614

For the purposes of the report, corporate directors were removed from the calculations leaving 8,685,990 individuals. Unisex values are assigned where there is no additional data to support the male or female identification of a director: ie Alex Sam Thompson, Harley Smith, etc.

When assigning a gender value to a company, the following calculations were used:

- Where male or female directors have a greater than 50.1% bias, the corresponding gender is identified and applied as either 'female-led' or 'male-led'.
- Where male and female directors are in equal number, a 'mixed-led' value is applied.
- Where unisex or corporate directors are identified and there are no other values to indicate a gender preference, an 'uncertain-led' value is applied.

## 5. Company ethnicity

The attribution of ethnicity is defined as 'ethnic-led' or 'non-ethnic-led' only. The data has been provided under Section 8 (b) [IT] of the Substantial Public Interest (SPI) conditions and has been modelled by establishing a name's country of origin, ethnicity, diaspora and country of residence. All data was encrypted using non-reversible SHA-2 digests (header X-Anonymizer = SHA-256) ensuring the highest levels of encryption were used throughout the process.

## 6. Generations

The criteria following were used to define generations:

- The Silent Generation: Born 1928-1945 (78-95 years old)
- Baby Boomers: Born 1946-1964 (59-77 years old)
- Gen X: Born 1965-1980 (43-58 years old)
- Millennials: Born 1981-1996 (27-42 years old)
- Gen Z: Born 1997-2012 (11-26 years old)
- NULL: No date of birth is provided for the director by Companies House and therefore, no generation is attached to the individual.

## 7. Angel and Love Investors

A love investor is defined as an individual who is known to the company through a family connection and not a director.

An angel investor is defined as an individual who is not known to the company through a family connection and not a director.

## 8. Venture Capital and Private Equity Investors

The total number of investors defined as Venture Capital and Private Equity within the mnAi platform is 1,312 comprised of:

- Venture Capital: 626
- Private Equity: 686

A venture capital investor is defined as an investor that provides young companies with capital in exchange for equity. New companies often turn to VCs for funding to scale and commercialise their products. Due to the uncertainties of investing in unproven companies, venture capitalists tend to experience high rates of failure. However, for those investments that do pan out, the rewards are substantial. Private equity is an alternative form of private financing, away from public markets, in which funds and investors directly invest in companies or engage in buyouts of such companies. Typically, venture capital companies invest at an early stage whereas private equity is focussed on buyouts, mergers and acquisitions.

## 9. Corporate Venture Capital Investors

A corporate venture capital investor is defined as a UK incorporated entity which holds shares in another UK incorporated entity.

## 10. EIS qualifying company

To qualify for Enterprise Investment Scheme (EIS) tax relief, a company must:

- Be under seven years old
- Have fewer than 250 staff
- Have raised less than £12 million investment previously
- Have under £15m gross assets
- Not be listed on any stock exchange
- Not be controlled by another entity (ie it must not have a parent company)

In addition, the following industries are excluded:

- Dealing in land, shares, futures and other financial instruments
- Dealing in goods other than in the normal course of a retail or wholesale trade
- Banking, insurance, money lending or other financial activities
- Leasing or receiving royalties or license fees, unless the company has created the intangible asset itself
- Providing legal or accountancy services
- Farming, market gardening, woodlands and timber production
- Property development
- Hotels and nursing homes
- The generation or production of heat, electricity, power, fuel or gas
- Coal and steel production, shipbuilding
- Providing services to a connected party conducting one of the above trades

In conjunction with colleagues from the Department of Business and Trade, further refinement has been undertaken on the above to only include companies which:

- Have five or more employees
- Are VAT registered
- Are classed as being involved with the innovation economy

#### **11. Innovation**

Innovation is defined as any company who has a registered design, a patent, a trademark and/or been awarded an Innovate UK grant.

#### **12. Company size**

Companies were categorised by size using government standard taxonomies:

- |           |                  |          |                 |
|-----------|------------------|----------|-----------------|
| - Micro:  | 1-9 employees    | - Small: | 10-49 employees |
| - Medium: | 50-249 employees | - Large: | 250+ employees  |

Categorisation was undertaken using a combination of data sources including a variety of statutory filings which, when combined with mnAi's proprietary data, provided the basis of the research. All firms under 12 months old were categorised as micro.

#### **13. SIC codes**

Standard Industry Classification codes as defined by the Office for National Statistics in 2007 were used to categorise sectors.

#### **14. Turnover growth**

Turnover growth and high growth analyses are based on estimated turnover growth over a three-year period. High growth is calculated as per the OECD definition of 72.8% growth over a three-year period and excludes any company that has less than 10 employees. We also removed any company that had a turnover of less than £1,000 in year one to reduce large percentage variations in growth.

For micro and small companies, there is no reporting requirement to submit revenue figures within their statutory accounts. Subsequently, turnover and high growth for these firms is calculated using machine learning algorithms that predict revenue for companies. This predicted revenue is then used to track growth using the OECD definition as outlined above. For medium and large enterprises, high growth is based on a company's turnover as reported within their statutory accounts.

#### **15. Importer**

His Majesty's Revenue and Customs (HMRC) in the United Kingdom defines an importer as an individual, organisation or company that brings goods into the UK from abroad. This can include goods from both EU and non-EU countries. For the purposes of this report, only companies are considered.

#### **16. Exporter**

HMRC defines an exporter as an individual, organisation or company that sends goods or services to a foreign country for trade or sale. This can include the export of goods to both EU and non-EU countries. For the purposes of this report, only companies are considered.

#### **17. Importer and Exporter**

In some cases, a company can be both an importer and an exporter of goods and services. Where this happens, these companies are identified separately.

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