

# UK FUNDRAISING PREPARATION GUIDE

## AUDIENCE

UK founders and leadership teams  
preparing an equity fundraising

## LAST REVIEWED

29 September 2026

## HOW TO PREPARE YOUR BUSINESS FOR A FUNDRAISE

A fundraising begins well before the first investor meeting. A founder may have a persuasive deck, but the conversation will soon move from the opportunity to the evidence behind it: customers, financial performance, ownership, forecasts and the plan for using new capital.

Preparation makes those questions easier to answer. It also helps a business decide whether now is the right time to raise, how much it actually needs and which investors are likely to be a good fit. This guide sets out a practical route through that work for UK companies.

## AT A GLANCE

Define the milestone the raise will fund. Build a model that supports the amount requested. Make the deck consistent with the records. Identify suitable investors. Prepare a controlled route through the evidence before outreach begins.

---

# 01

## DECIDE WHAT THE CAPITAL MUST ACHIEVE

Start with the next significant business milestone, then work backwards. Depending on the company, that could be launching a product, completing a pilot, reaching a level of contracted revenue, securing a regulatory approval or building a sales team that can repeat an early result.

Write down the work required, its cost and the time it may take. Include operating costs, hiring, product development, customer acquisition, professional fees and a sensible allowance for delay. The proposed raise should connect to an achievable plan, rather than a round number selected because it sounds marketable.

Investors will also ask what happens if the business raises less than its target. Show which activities are essential, which can be phased and which milestone each funding scenario would support.

## FOUNDER CHECK

Can you explain, in two sentences, what the new money enables that the business cannot do today?

## 02

### TEST WHETHER THE BUSINESS IS READY TO APPROACH INVESTORS

Readiness depends on the stage of the business. A pre-revenue company may have a working product, credible pilot activity or strong evidence of customer demand. A company with sales should be able to explain revenue quality, retention, margins and the cost of winning customers. Neither should present interest, pipeline or forecasts as completed trading.

Before outreach, identify the three or four claims on which the investment case rests. For each claim, ask what an investor could inspect to test it. A claim about market demand might be supported by paying customers, documented pilots, usage patterns or signed commercial agreements. A claim about a large addressable market needs a calculation that shows who the relevant buyers are and how the company can reach them.

Weaknesses do not always require a company to postpone a raise. They do require an honest account of what has been proved, what remains an assumption and what the funding is intended to establish.

## 03

### BUILD A FINANCIAL MODEL THAT EXPLAINS THE PLAN

The model should show how the business expects to generate income and spend the capital. Link revenue to operational drivers: customers, conversion, pricing, usage or contracts, as appropriate. Link costs to the people, systems and activity needed to deliver that growth.

Include actual results separately from forecasts. Show the cash position, monthly cash movement and the point at which further funding or break-even may be needed. Test a slower-sales case as well as the central plan. If the forecast assumes that a pipeline will convert, state the stage, timing and conversion assumptions rather than treating the entire pipeline as certain revenue. The deck can simplify the story. It should not contradict the model or the management accounts. Date each version and explain material changes between versions.

#### RELATED ARTICLE

[How to make a revenue claim traceable to the evidence](#)

## 04

### MAKE OWNERSHIP AND ROUND TERMS UNDERSTANDABLE

Prepare an accurate capitalisation table showing existing shareholders, share classes, options, warrants and convertible instruments. Model how the proposed investment could change ownership, including the effect of outstanding instruments when they convert. Check that the funding amount, valuation and proposed dilution are described consistently in the deck and supporting material.

Valuation is a negotiation shaped by the company's evidence, market conditions and the terms attached to the investment. A headline valuation alone does not explain the economic outcome for either founders or investors. Obtain appropriate legal advice on the proposed instrument and documents before offering terms.



## 05

### CONSIDER UK TAX SCHEMES EARLY, WHERE RELEVANT

Some UK companies consider the Seed Enterprise Investment Scheme (SEIS) or Enterprise Investment Scheme (EIS) when planning an equity raise. The rules concern the company, the shares, how the money is used and the investor's circumstances. Eligibility should be assessed against the current HMRC requirements and the proposed transaction, with specialist advice where appropriate.

HMRC advance assurance is an opinion on specified conditions based on the information supplied. It is not a blanket guarantee that every investor will receive tax relief. Describe its status precisely, and do not use a pending application or advance assurance as a substitute for checking the final issue and compliance process.

OFFICIAL GUIDANCE

[HMRC: venture capital schemes](#) & [HMRC: advance assurance](#)

## 06

### CHOOSE INVESTORS FOR THE STAGE AND PROPOSITION

An effective target list is more useful than a large undifferentiated one. Assess each investor's typical stage, cheque size, sectors, geography, investment structure and recent activity. Consider whether the investor can lead, follow or introduce others, and whether their decision timetable fits the company's needs. Prepare a short reason for approaching each investor. A personalised introduction should explain why the opportunity fits their mandate, what the company has achieved and what it is raising. Keep a record of contact, feedback, follow-up and any information shared.

UK financial promotion rules can apply to invitations or inducements to invest, including communications made during a fundraising campaign. Have the outreach route and materials reviewed by suitably qualified advisers before circulation, especially where communications may reach people beyond a defined professional audience.

[FCA guidance on financial promotions.](#)

## 07

### PREPARE A DECK THAT SURVIVES THE NEXT QUESTION

A useful deck explains the problem, product, customer, market, business model, traction, competition, team, financial position, funding requirement and intended use of proceeds. The weight given to each section will vary by stage.

Every important number should have a defined measure and period. If the deck says the company has £500,000 in annual recurring revenue, the supporting schedule should make clear which live subscriptions generate it, how the amount was annualised, and what has been excluded. Signed contracts that have not started, one-off work and forecast sales should be identified separately. The deck should make an investor interested enough to ask detailed questions. The business must be ready to answer them without rewriting its story each time.

## 08

### **BUILD A CONTROLLED DATA ROOM**

Organise the documents so a reviewer can move from a deck claim to a calculation and then to its source. Typical sections include corporate records and ownership; financial statements and management accounts; the operating model; commercial agreements; product and intellectual property; team and employment; legal and compliance; and the proposed round.

Use clear file names, dates and version control. Start with a document index and assign an owner for updating each section. Not every prospective investor needs immediate access to every sensitive contract or personal record. Share information in stages, with named access and professional advice on redaction and confidentiality where needed. A well-organised data room cannot repair an unsupported claim. Its purpose is to let a reviewer test the business's account of itself efficiently.

## 09

### **PLAN FOR DILIGENCE, NEGOTIATION AND CLOSING**

Agree internally who answers financial, commercial, technical and legal questions. Keep a record of questions and responses so that investors receive consistent information. If an error emerges, correct the source documents and explain the change promptly. When an investor proposes terms, look beyond the amount and valuation. Governance rights, preference terms, future funding provisions and conditions to closing can materially affect the outcome. Take legal and tax advice on the documents and allow time for verification, approvals and completion mechanics. A verbal indication of interest is progress, but the round is complete only when the required documents are executed and funds are received under the agreed terms.

### **A PRACTICAL READINESS CHECK**

Before beginning outreach, can the team answer yes to these questions?

- Is the funding amount linked to a costed milestone and a cash-flow plan?
- Are actual performance, contracted business, pipeline and forecasts clearly separated?
- Do the deck, model, management accounts and ownership records agree, or are differences explained?
- Can each material traction claim be traced to evidence?
- Is the investor target list matched to stage, sector and cheque size?
- Have the proposed communications, tax scheme statements and transaction documents received appropriate review?
- Is there a current, indexed data room with a controlled sharing process?

A "no" identifies useful work to do before the first investor meeting. It is better to discover a gap internally than to have several investors find different versions of the same number.

### **PREPARING FOR A RAISE?**

Top Business Ventures helps companies organise their investment story, materials and supporting evidence.

#### **EMAIL**

[admin@topbusinessventures.com](mailto:admin@topbusinessventures.com)

#### **WEBSITE**

[topbusinessventures.com](http://topbusinessventures.com)

