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CHARTERED ACCOUNTANTS



Financial funding readiness checklist

Is your science or technology business ready for investment?

Investors and Lenders need confidence in your financial position, forecasts, and plans for using their money before deciding whether to invest.
Before approaching potential investors or lenders, use this checklist to assess whether your business's financial foundations are ready for scrutiny.

1 Your paragraph text

- [ ] We know exactly how much funding we need.
- [ ] We can clearly explain what the funding will be used for and what it will help us achieve.
- [ ] We know how long the funding will extend our cash runway.
- [ ] We understand when we may need to raise further funding again.

2 Your paragraph text

- [ ] We have up-to-date profit and loss, balance sheet and cash flow forecasts.
- [ ] Our forecasts are based on realistic and explanable assumptions.
- [ ] We have modelled different scenarios, including slower growth or higher costs.
- [ ] Our forecasts reflect the investment needed to deliver our growth plans.

3 Your paragraph text

- [ ] We know our current monthly cash burn.
- [ ] We understand our working capital requirements.
- [ ] We regularly monitor actual performance against our forecasts.
- [ ] We can clearly explain our key financial metrics and revenue drivers.

4 Your paragraph text

- [ ] Our statutory accounts and management accounts are up to date.
- [ ] We produce reliable management information regularly.
- [ ] Our accounting systems and financial controls can support further growth.
- [ ] We can provide funders with financial information promptly if needed.

5 Your paragraph text

- [ ] Our tax filings and HMRC affairs are up to date.
- [ ] We have considered the tax implications of the proposed funding structure.
- [ ] We have reviewed whether Enterprise Investment Scheme (EIS) or Seed Enterprise Investment Scheme (SEIS) may be relevant to our funding plans.
- [ ] We have considered whether available tax reliefs, including R&D tax relief and Patent Box, may apply to our business.



Are you funding ready?

If you cannot confidently tick most of these boxes, it may be worth addressing the gaps and strengthening your financial information before approaching investors or lenders.

Good preparation can help you explain your funding requirements and strengthen your negotiating position during due diligence. It can also help you decide whether a proposed funding offer is right for your business.

How Edwards can help

Edwards Chartered Accountants works with science & technology businesses at different stages of growth who are preparing to raise finance.

We can help you strengthen your financial forecasts, understand your cash requirements, improve management information, and review your tax position before you approach investors or lenders for funding.



Preparing to raise finance?

Speak to one of our science & technology advisers about getting your business funding ready.

Contact Edwards Chartered Accountants