

Investment/exit readiness

A practical guide for founders preparing for due diligence

If you're raising capital from institutional investors or exploring a potential exit, expect a detailed diligence process. Buyers and investors will dig deep – but with the right preparation, you can speed up timelines, build trust, and protect your valuation.

This checklist can help you prepare.

1. Corporate structure & records

- Company information (incorporation docs, Unique Taxpayer Reference (UTR), VAT, registration details) is easily accessible.
- Statutory registers are up to date (including Person with Significant Control (PSC) and option registers).
- Companies House filings are complete and accurate.
- Board minutes and shareholder resolutions are in place for all major decisions.
- Group structure (if applicable) is documented and easy to explain.

2. Equity, shareholders & options

- Cap table is accurate, up to date, and reconciled with legal documents.
- Shareholders' agreement and articles reflect the current position.
- Share issuances (including SAFEs – Simple Agreement for Future Equity, CLNs – Convertible Loan Notes, preference shares) are documented with board/shareholder approvals.
- Option scheme documentation is complete (rules, grant letters, valuations, board approvals).
- EMI or other tax-advantaged schemes are compliant with legislation and limits.

3. Commercial contracts & IP

- Signed copies of all key customer, supplier, and partner contracts are available.
- Change of control and assignment clauses have been reviewed for diligence impact.
- IP ownership is secure – assignments from founders, employees, and contractors are documented.
- Trade marks, domains, patents, and tech assets are registered or documented.
- Data protection compliance can be demonstrated (privacy policy, processor agreements, Information Commissioner's Office registration).

4. Financials & tax

- Management accounts and financial statements are available and reliable.
- Revenue recognition policies and unit economics are clearly documented.
- Tax filings are up to date (corporation tax, VAT, PAYE).
- R&D tax credits (if claimed) are substantiated.
- Enterprise Investment Scheme (EIS) and Seed Enterprise Investment Scheme (SEIS) compliance is confirmed, with relevant advance assurance or filings.

5. People, contracts & culture

- Employment and consultancy agreements are in place for all team members.
- All staff have confidentiality and IP assignment provisions in their contracts.
- Bonus, commission, or incentive schemes are clearly documented.
- Any employment disputes, grievances, or settlements are recorded and disclosed.
- Organisational structure and key hires are documented and well understood.

6. Regulatory, ESG & disputes

- Relevant licences, accreditations, and regulatory registrations are current.
- FCA or sector-specific approvals are in place (if applicable).
- ESG, health & safety, or compliance policies are available (if required in your sector).
- All disputes, claims, or risks of litigation are disclosed with summaries and documentation.
- Insurance policies (including Directors' & Officers') are valid and accessible.

7. Due diligence process preparation

- A digital data room is set up with clear folders (e.g. corporate/commercial/finance/IP/people).
- All key documents are clearly named, signed, and saved in PDF format.
- A pre-diligence review (legal, financial, tax) has been carried out with your advisers.
- Explanations for quirks (e.g. cap table anomalies, legacy arrangements) are prepared.
- Founders and internal teams are briefed and available to support the process.
- A Q&A log or centralised communications process is planned to manage requests efficiently.



Final thoughts

Getting investor-ready isn't just about ticking boxes – it's about building trust. The cleaner your documentation, the smoother the process. A prepared founder signals a high-quality business.

Let's talk

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- Fixed-fee diligence and data room reviews
- Practical, commercial legal advice tailored to your growth plans
- End-to-end execution on equity rounds, exits, and complex M&A.

Ashfords – Venture & Growth Capital Team

Pragmatic legal advice for ambitious founders



Sam Brown

s.brown@ashfords.co.uk

T +44 (0)20 7544 2402



Chris Dyson

c.dyson@ashfords.co.uk

T +44 (0)117 321 8054



Rory Suggett

r.suggett@ashfords.co.uk

T +44 (0)117 321 8067

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