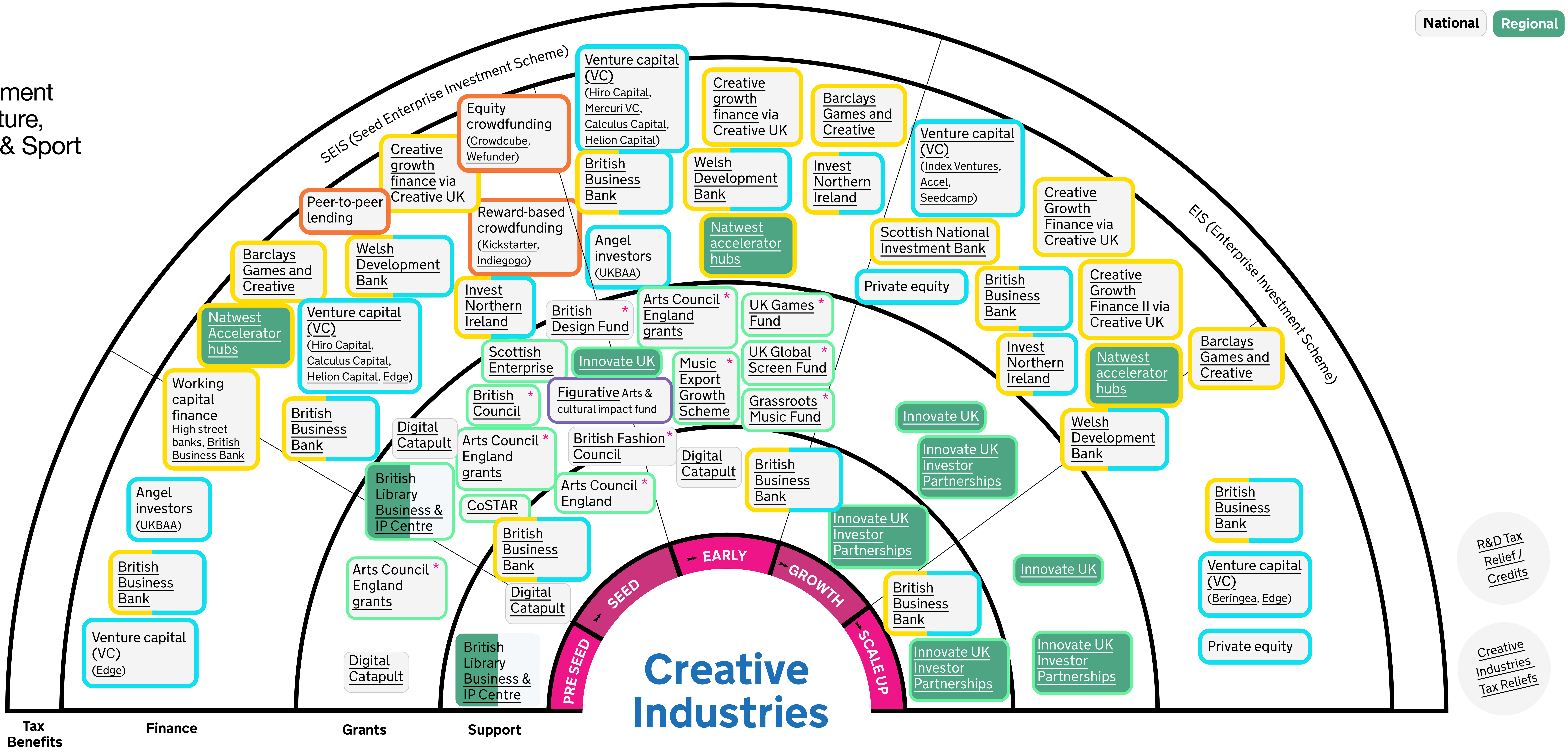
Department for Culture, Media & Sport



V2: Updated 31st March 2026

PROTOTYPE

AS-IS Financial landscape for growing UK businesses

BUSINESS GROWTH STAGE

PRE-SEED
Age: 0-1 years
Staff: 1-5
Turnover: 0

Focus: Idea for new product/service and loose business concept
Status: May not yet be registered as a company

SEED
Age: 0-3 years
Staff: 2-10 FTE
Turnover: < £100k

Focus: Product testing and prototype development
Status: Registered company. May be pre-revenue - self-funded, borrowing or grants

EARLY
Age: 1-5 years
Staff: 5-20 FTE
Turnover: £20k – £200k

Focus: Pilot testing and validation, developing a business model
Status: Generating revenue and profit but need cash to meet demand or grow team

GROWTH
Age: 2-10 years
Staff: 5-100 FTE
Turnover: £100k – £5m

Focus: Market expansion and international scaling
Status: Establishing partnerships and collaborations

SCALE UP
Age: 3-15 years
Staff: 20-250 FTE
Turnover: £250k – £50m

Focus: Talent acquisition, leadership capability, business strategy and infrastructure
Status: Generating exponential growth and optimising operational efficiency

Categories informed by Innovate UK and British Business Bank

TYPES OF FINANCE

Grants
Non-repayable funds provided by government and other organisations to support specific projects or social objectives. Strict eligibility criteria.

Debt finance
Loans from banks or private lenders that are repaid with interest over a set period. Beyond interest costs, these often include covenants - legal conditions that can restrict how you run your business. There are some specialised loans designed for creative businesses.

Impact investment
Investments made with the specific intention of generating a measurable, beneficial social or environmental impact alongside a financial return. It provides creative businesses a 'third way' between grants and private equity.

Equity finance
Private Equity
Capital provided by investors seeking long-term growth in exchange for a share of ownership. It includes everything from small, private deals with individual investors to large-scale funding from major institutions.
Venture capital (VC)
Significant capital investments in high-growth businesses, at a seed or early stage. As well as an equity share, businesses also need to cede a level of control as the VCs seek to drive rapid scaling.
Angel Investors
Individuals or syndicates who invest their own money in a business in exchange for a minority stake. Angels offer more than just money, providing mentoring, support and access to contacts.

Alternative finance
Crowdfunding
Funds raised from the general public and customers (via crowdfunding platforms) who can invest in exchange for shares in the company (equity crowdfunding) or early product access or exclusive perks (reward-based crowdfunding).
Peer-to-peer (P2P) lending
Loans from individuals and businesses directly via online lending platforms or offline brokers, with the idea that both borrowers and lenders may be able to secure a better rate than if they had gone through a bank.

* Only open for a specific creative sub-sector or programmes available during particular timeframe