LEARN AT YOUR OWN PACE

Your new investor starter pack

A plain-English introduction to exploring early-stage businesses, asking useful questions and understanding what comes next.

Start with understanding

You do not need to choose a business or make an investment today. Use this pack to learn the basics, organise your questions and decide what you want to explore further.

Six steps to help you explore

01 **Understand the basics**
Know what you are buying and what could happen.

02 **Get to know SEIS and EIS**
See how the schemes work alongside the investment.

03 **Think about your own position**
Consider your finances, timescale and questions.

04 **Compare businesses clearly**
Use the same prompts for each opportunity.

05 **Prepare your questions**
Make founder conversations more useful.

06 **Know the next steps**
Understand the documents and records to keep.

Keep the risks in view

Early-stage investing is high risk. You could lose all the money invested, and it may be difficult to sell your shares for many years. Tax relief does not remove these risks.

STEP 01 / THE BASICS

What are you investing in?

Start with the business and the people behind it. Then look at the terms and any potential tax benefits.

Shares mean part-ownership

When you invest in shares, you buy a stake in a company. You are not placing money in a savings account. The value of your stake can rise or fall, and the business could fail.

A return is possible, not promised

You may receive money if the company pays dividends or you can sell your shares. A future sale of the business is sometimes called an exit. Neither a sale nor a return is guaranteed.

Your money may be tied up

Shares in private businesses are often difficult to sell. You may need to wait many years and there may never be a buyer. A tax holding period does not set a date when you get your money back.

Get to know the business first

Look at its customers, progress, finances and team. Ask how the money will be used and what could go wrong. Keep facts separate from estimates about the future.

A few terms in everyday language

Valuation: the value placed on the business. Pitch deck: a short presentation explaining the business and raise. Financial forecast: an estimate of future income, costs and cash. Due diligence: checking the business and documents before deciding.

Take your time. Reading a profile or speaking with a founder does not commit you to investing. Ask for a clear explanation whenever something is unfamiliar.

STEP 02 / SEIS AND EIS

Understand the scheme basics

SEIS and EIS are UK schemes offering tax reliefs to eligible investors who buy qualifying new shares.

What to know	SEIS	EIS
Full name	Seed Enterprise Investment Scheme	Enterprise Investment Scheme
Typical business stage	Very early-stage businesses	Early-stage and growing businesses
Potential Income Tax relief	50% of a qualifying investment	30% of a qualifying investment
Annual investment limit for Income Tax relief	£200,000	£1 million; up to £2 million under special rules*
Qualifying holding period	At least three years	At least three years

*The higher EIS limit requires at least £1 million invested in qualifying knowledge-intensive companies: businesses meeting specific research and innovation conditions.

Tax relief depends on your circumstances

You need enough UK Income Tax liability, and both you and the investment must meet the rules. Relief can be withdrawn. Other potential reliefs cover qualifying gains, losses and reinvested gains; rules differ.

What does Advance Assurance mean?

HMRC gives a view on certain scheme conditions using the information provided by the company. It does not confirm your personal eligibility, investment quality or a guaranteed return. You still need to understand the business and the risks.

The holding period can run from a later trading start date; it does not guarantee a sale. Check personal tax questions with an adviser.

STEP 03 / YOUR STARTING POINT

Think about your own position

Use these prompts to identify questions before considering a commitment. This is a reflection tool, not a suitability assessment.

- [ ] I have money available for emergencies and essential spending.
- [ ] I understand that my investment may be tied up for many years.
- [ ] I could afford to lose the full amount I am considering.
- [ ] I am not depending on a tax refund to cover essential costs.
- [ ] I understand that a return or an opportunity to sell is uncertain.
- [ ] I will consider my wider finances rather than relying on one business.
- [ ] I will seek appropriate advice where I am unsure.

An amount I could afford to lose in full, if any

Questions for my financial or tax adviser

Spreading risk: what diversification means

Diversification means spreading investments across different assets or businesses, so you are less dependent on one outcome. It cannot prevent every loss. Consider early-stage investing within your wider financial position.

STEP 04 / EXPLORE AND COMPARE

Look at businesses side by side

Use the same questions for each company. Write down what you know and mark anything that needs further explanation.

Company A: _____ Company B: _____

Question	Company A	Company B
What problem does it solve, and for whom?		
What shows that customers want it?		
How does the business earn money?		
What experience does the team bring?		
What value is placed on the business and what is the share price?		
How will this funding be spent?		
What is its SEIS/EIS position?		
What are the biggest risks?		
What should the next milestone achieve?		

Compare the information, not just the presentation

A polished pitch can help explain a business, but it is only a starting point. Ask for evidence behind important claims and note which information is still missing. This worksheet does not replace a detailed review.

STEP 05 / FOUNDER CONVERSATIONS

Ten questions worth asking

Choose the questions that matter most to you and ask for answers in everyday language.

- [ ] What problem do you solve, and who pays for the solution?
- [ ] What evidence shows that customers want what you offer?
- [ ] How does the business earn money?
- [ ] What have you achieved with the funding received so far?
- [ ] How did you decide the proposed value of the business?
- [ ] Exactly how would this new investment be spent?
- [ ] What should the funding help you achieve, and by when?
- [ ] What are the three biggest risks to the plan?
- [ ] How might shareholders receive a return, and what could prevent that?
- [ ] What information and updates would investors receive?

My follow-up questions and notes

It is fine to ask again

If an answer is unclear, ask for an example or a supporting document. Give yourself time afterwards to think about what you have learned and what remains unanswered.

STEP 06 / IF YOU DECIDE TO PROCEED

Know what comes next

Keep a clear record before, during and after an investment. Take advice on terms or tax questions you do not understand.

Before committing

- [ ] Read the business plan, forecasts and supporting information; record the risks.
- [ ] Check who owns the company, which shares you would buy and your rights.
- [ ] Understand fees, future fundraising plans and the stated SEIS/EIS position.

Understand dilution

If a company issues more shares, your percentage ownership may fall. This is called dilution. Ask how future fundraising, options or other rights could affect your stake.

When the investment completes

- [ ] Read the final agreements; confirm the number, type and price of your shares.
- [ ] Verify payment details independently and keep signed documents and payment records.
- [ ] Ask who will handle the ownership records, filings and share certificate.

Afterwards

- [ ] Keep company updates and any SEIS3 or EIS3 tax certificate safely.
- [ ] Claim relief only when eligible and after receiving the relevant certificate.
- [ ] Check the effect of selling shares or other changes before acting.

Explore Oriel at your own pace

Use Oriel's resources and founder connections to build your understanding. If you use the ROI Calculator, treat the figures as illustrations based on assumptions, not a forecast or confirmation of your tax relief.

Further reading | checked 28 October 2026

HMRC: tax relief for investors

FCA: understanding high-risk investments

General education, not a personal investment recommendation or tax advice. Early-stage investing is high risk and you could lose all invested capital. Tax treatment depends on your circumstances and the rules, which can change.