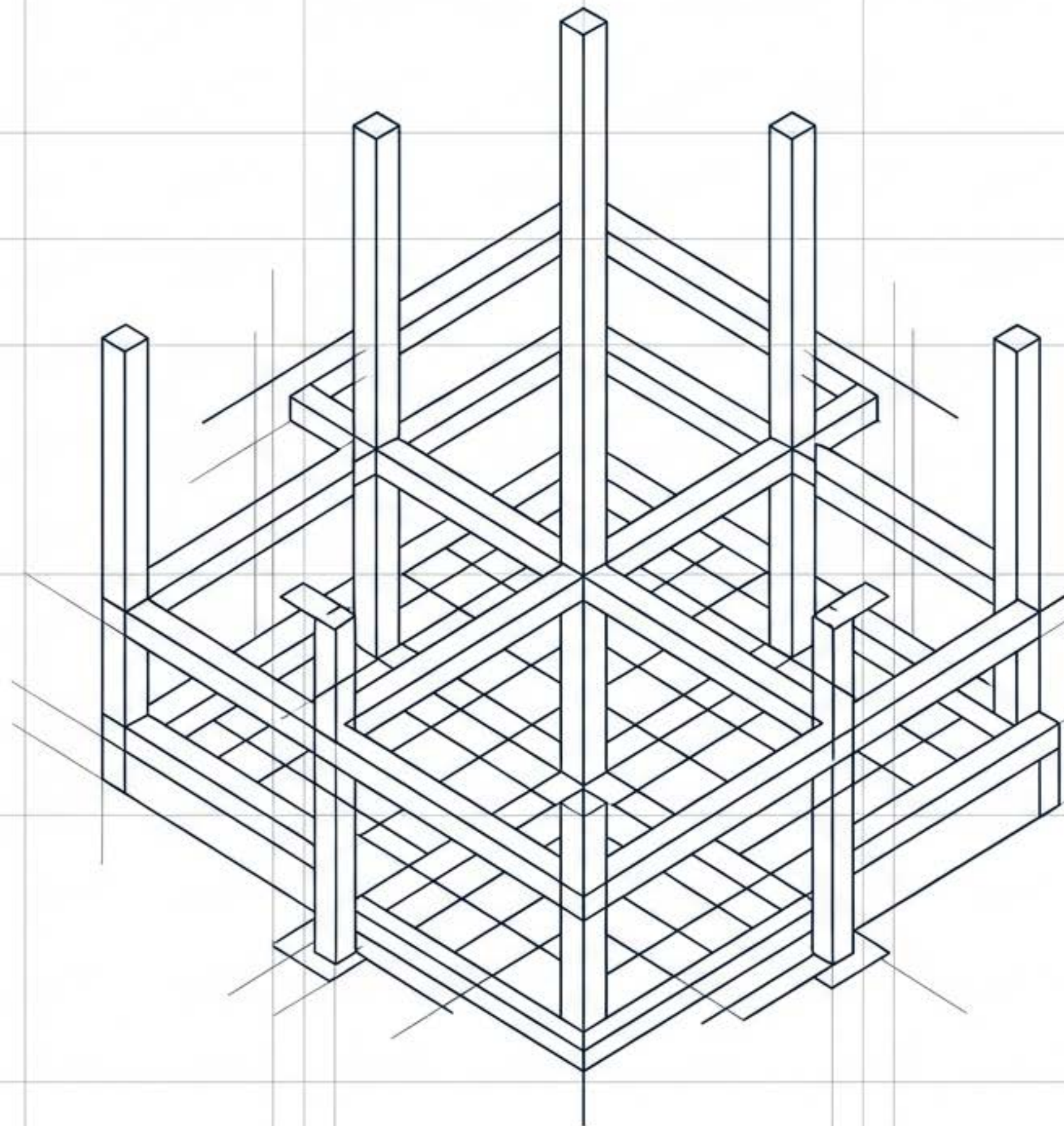


Brokerage Firm Capitalisation & Financial Roadmap

A Strategic Analysis of Funding Requirements, Cost Drivers, and the Path to Profitability.



The Executive Ask: Funding the Launch

£585,000

Capital
Expenditure
(The Build)

**Target
Break-Even Date:
June 2026**

+ £154,000

Working
Capital
(The Safety Net)

The total budget covers initial setup costs and a critical cash buffer to absorb early operational losses. This capital secures the runway required to reach sustainability.

= £739,000

**Total
Funding
Requirement**

Phase One: Capital Expenditure Breakdown

Allocating £585,000 to Infrastructure and Compliance.



Key Insight: This capital is for One-Time Costs required before a single user is onboarded. It covers technology infrastructure, core compliance systems, and regulatory filings.

The Product Core: Platform Development

£250,000

Fixed-price development quote

This investment funds the Minimum Viable Product (MVP) required for launch. Includes dual-sided marketplace engine, secure client onboarding flows, tiered membership logic, and trade execution tracking. Excludes ongoing hosting (OPEX) and premium analytics (future scope).

Controlling Spend Strategy	
Must-Have (Included)	→ Compliance features, basic transaction processing, client database.
Nice-to-Have (Deferred)	→ Advanced analytics, custom reporting tools.

Risk Warning: If development quotes exceed budget by >15%, immediate scope review is required.

The Legal Licence: Regulatory Entry

£100,000

Mandatory pre-launch allocation

Essential funding to cover SEC and FINRA application costs, state and federal registrations, and initial compliance counsel.

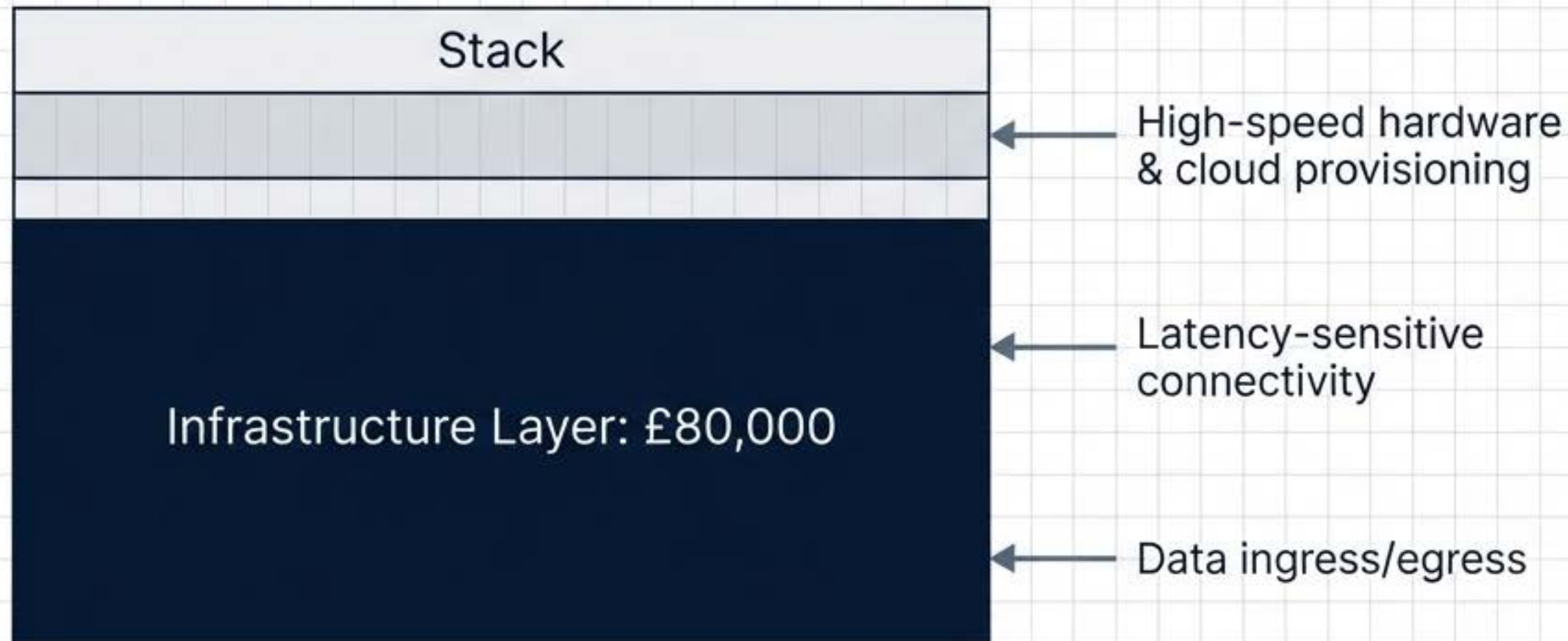
Status: Sunk cost. Non-negotiable barrier to entry.

*Covers initial filing only, not ongoing compliance staff.



Strategic Insight: Time is Money. Rushing applications leads to costly applications leads to costly resubmissions. We prioritise hiring experienced counsel early to prevent errors that burn working capital.

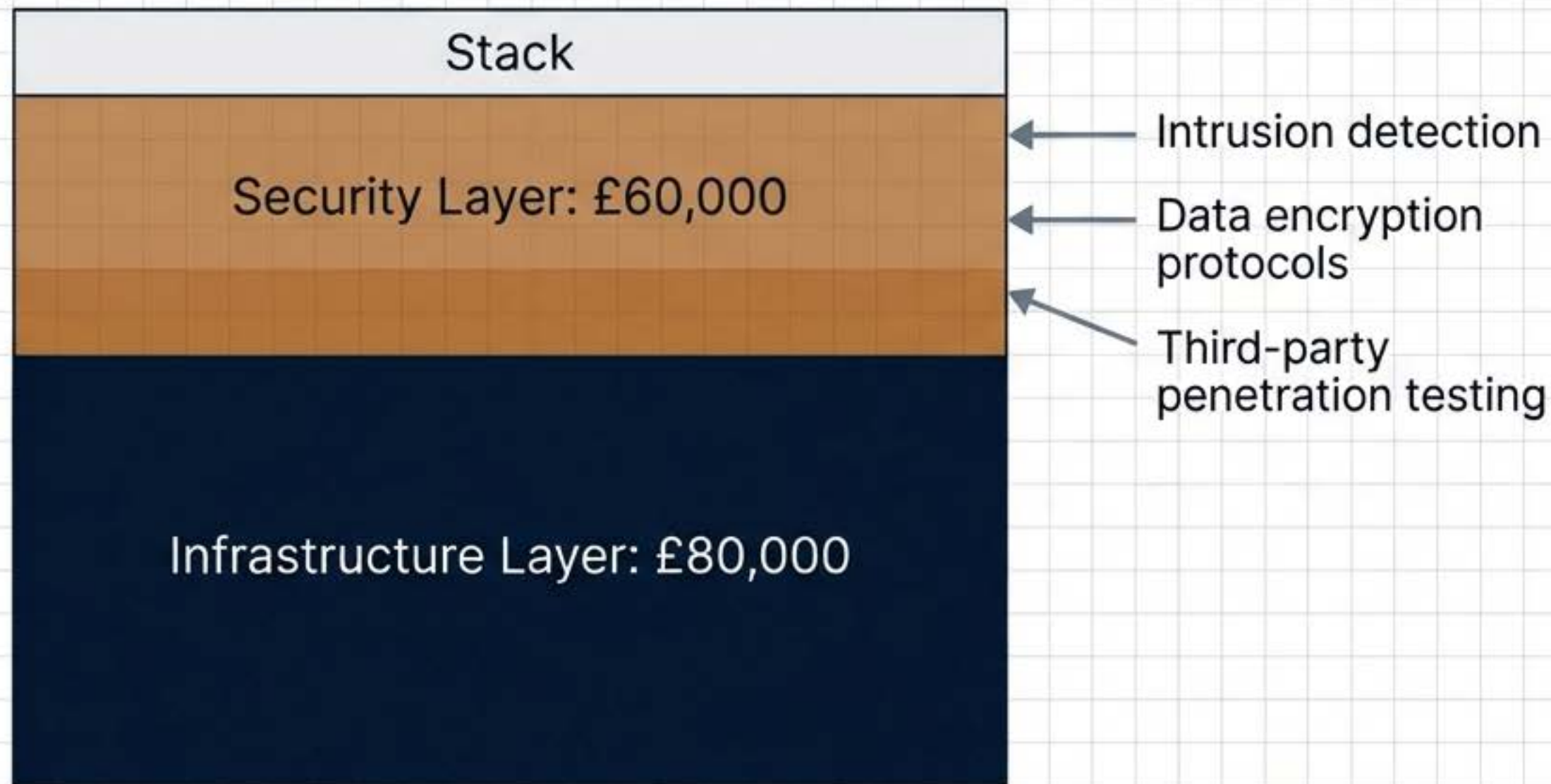
The Technical Foundation: Servers & Connectivity



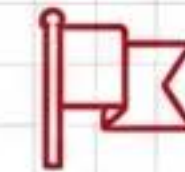
The capital required for high-speed servers and data links. Focus is on uptime and reliability. Optimisation includes using scalable cloud providers and reserved instances to avoid over-provisioning capacity.

“If data connectivity fails, trading stops instantly.”

The Digital Shield: Cybersecurity Systems

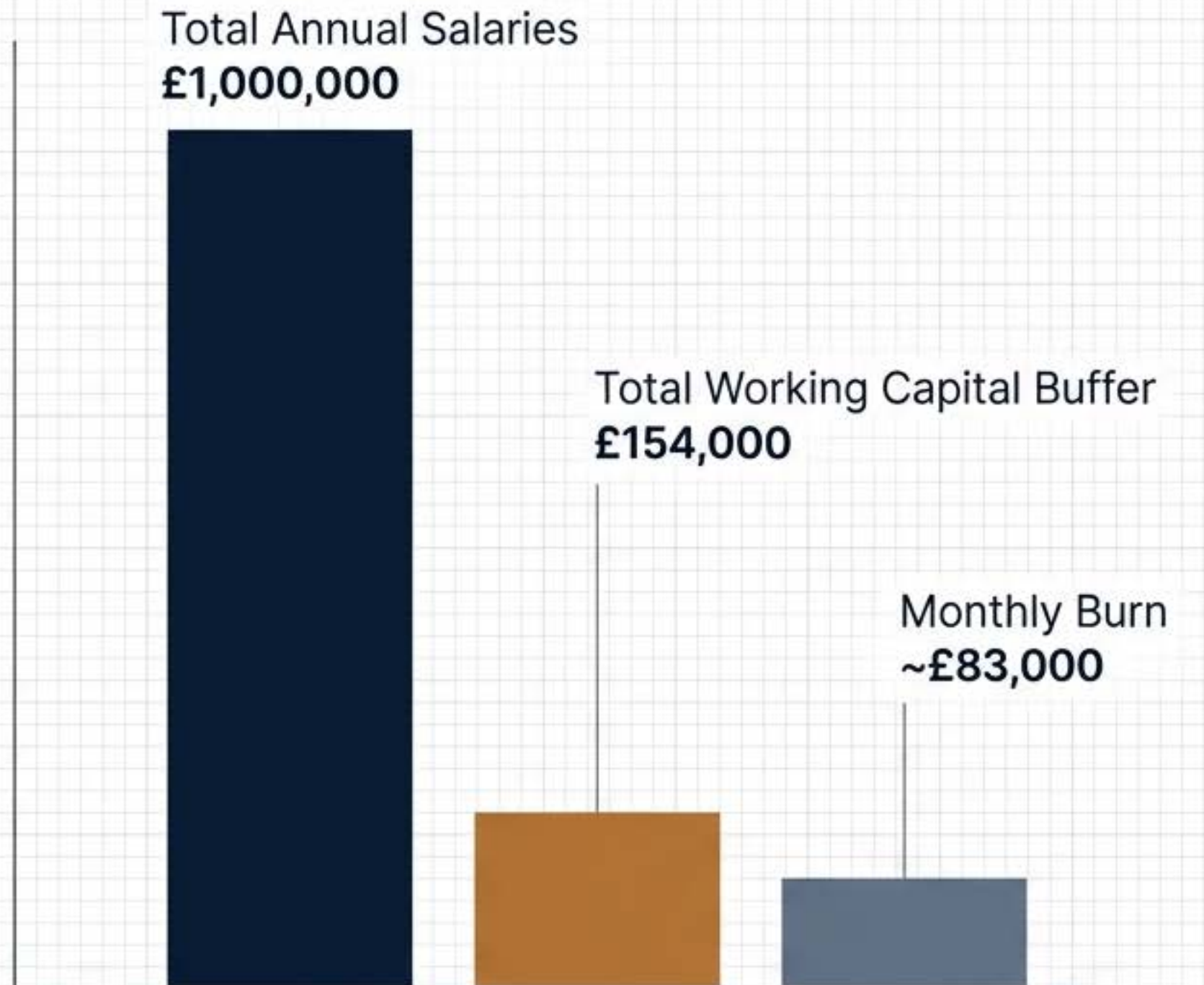


Essential protection for client data and trading integrity. Distinct from the server budget and monthly overhead.



Critical Risk: If regulatory security audits take 14+ days due to poor systems, churn risk rises significantly.

The Human Capital: Year 1 Personnel Burn



Year 1 projected wages for 7 FTEs (CEO, CTO, Head of Compliance) averages **£142,857 per person**. The chart demonstrates that **salaries consume the entire working capital buffer in less than 2 months** if revenue does not scale immediately.

Mitigation Strategies:

- 1. **Defer immediate cash impact via equity packages.**
- 2. **Stagger hiring beyond the initial 7 roles.**

Keep the Lights On: Fixed Overheads

£13,300 / month

Fixed Operational Floor

Components

- Office rent & utilities
- Critical trading software (CRM, market data)
- Compliance retainer fees

Cost Control

- Utilise flexible co-working spaces.
- Negotiate 6-month software terms.
- Quarterly license audits.

The Survival Calculation

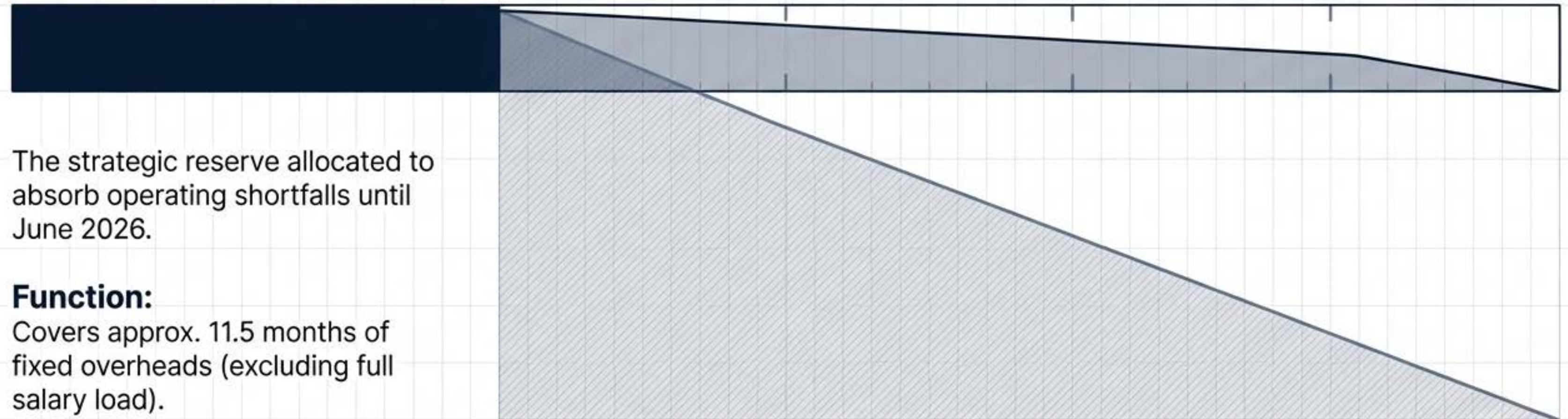
To cover just this £13.3k floor, we need substantial trade volume.

Example: If subscription revenue = £5k, trade commissions must cover the remaining £8.3k.

The Safety Net: Working Capital Reserve

Launch Day
(£154,000)

June 2026
(Break-Even)



The strategic reserve allocated to absorb operating shortfalls until June 2026.

Function:

Covers approx. 11.5 months of fixed overheads (excluding full salary load).

Goal:

Protects against slower-than-expected user adoption.

Speeding up the break-even date directly reduces the required reserve size.

The Path to Profitability



Despite high upfront investment, the tiered membership model projects a swift path to sustainability. The J-Curve illustrates the initial burn phase turning into positive EBITDA approximately 6 months post-launch.

Funding Strategy & Sources

The Capital Stack

Primary Goal: Secure **£739,000**

- Target: External Venture Capital or Angel Investment (Required for this scale)
- Secondary: Founder capital (Supplementary only)

Pitch Strategy Checklist

- Emphasise tiered revenue model for scaling.
- Highlight the 6-month path to break-even.
- Demonstrate strict CAPEX controls.
- Objective: Survive initial negative cash flow to reach Year 1 EBITDA.

The strategy aligns with the projected financial J-Curve.

Critical Risk Factors



Onboarding Delays

If regulatory checks take 14+ days, churn risk rises.



CAC Spikes

If Customer Acquisition Costs rise, the £154k buffer shortens drastically.



Scope Creep

Platform build exceeding £250k or 15% variance requires immediate refinancing.

Mitigation: Detailed monitoring of monthly cash burn and strict adherence to MVP scope.

Strategic Action Plan

- 1. Secure Capital:** Raise the full £739,000 (£585k CAPEX + £154k Buffer).
- 2. Control Burn:** Keep Year 1 salaries in check via equity; maintain £13.3k/mo overhead floor.
- 3. Prioritise Revenue:** Focus on recurring subscription growth to offset the £1M salary load.
- 4. Monitor Timeline:** Ensure licensing and platform build do not exceed the 6-month launch window.

**Secure the runway. Control the burn.
Reach profitability by June 2026.**