

Angel Investment

What is Angel Investment?

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Angel Investment is where you sell shares in your company to outside investors to raise the capital that you need to start or grow your business. You can raise Angel Investment at any stage of your company's development. There are even Angels that specialise in turnaround situations if your company is experiencing difficulties. Angels in general do not want to take control of your business as this will only demotivate the existing management team. The higher the risk, however, the higher the percentage of your business you will have to relinquish. Traditionally start-up and turnaround situations will have to be prepared to sell a greater proportion of the company.

The first port of call for start-ups should be Family, Friends and Fools, the three F's.

Important Criteria

You cannot begin to look for Angel Investment until you have a first class business plan and a full three year financial model. This should include monthly cash flow and profit and loss and a balance sheet. All the assumptions that you have used for your financials must be fully explained in the words. People invest in management teams so full details of past success must be included.

A funding business plan is a sales document and if you have never written one before you should seek the advice of a professional.

What Costs Are Involved?

It is very difficult to find individual Angels as they are secretive people and the best way to find them is to approach a reputable Angel Network. The best way to approach an Angel Network is through an authorized intermediary who is trusted by that network. If you approach them direct it is likely that your plan will not be looked at.

There is normally an up front fee involved of between £500 and £5,000 and then expect a success fee payment of approximately 5% of funds raised.

Why use Pegasus Funding Resources?

Pegasus Funding Resources are approved intermediaries for the majority of the UK based Angel Networks. We also have over 100 of our own high net worth individuals in our own network. For the past 6 years we have been helping clients to write winning, funding business plans and then finding both equity and debt funding for them.

www.pegasusfunding.co.uk

Office Locations: London and the Home Counties, Wiltshire, Lancashire, Derbyshire and North Yorkshire.



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