

## PRESENTATION TO ARMSCOR

Thank you for the opportunity





## The company background

- Cede capital was formed in July, 2015
- Owned Director Tshepo Edwin Mpete. Following the government's drive to promote blackowned enterprises through the disbursement of tenders and small orders to the general public.
- However, most of these small businesses do not have the financial muscle to execute the orders awarded to them.
- Government's solution to this, take too long to respond, while banks and other financial institutions will not assist due to the perceived risk of non-payment by the government.
- This was the very same problem that was and still is faced by the mining industry, UN, and Parastatals

**NCRCP: 8919** 

## WHO IS THE TARGET MARKET

- Target market is SMMES
- Purchase order from the government department, mines, UN, and parastatals
- RSA ID
- Anyone who has a registered and compliant business.
- Anyone with a valid purchase order of R 10,000.00 – 1,5 million



# Payment options

Joint account

Cession agreement (PREFFERED)



### Joint account

- FNB account holder
- Join the existing account
- Permission letter signed by the department
- Insurance

#### Disadvantages

- High risk of non payment to cede capital
- cut on profit for SMMEs (insurance)
- Funding only one project at a time
- Co-debtor required
- Slow growth from SMME Development

## **Cession agreement**

- Cede ,SMME and Department sign one agreement
- Ceding of the payment and not the order
- Payment done to cede capital not smme.

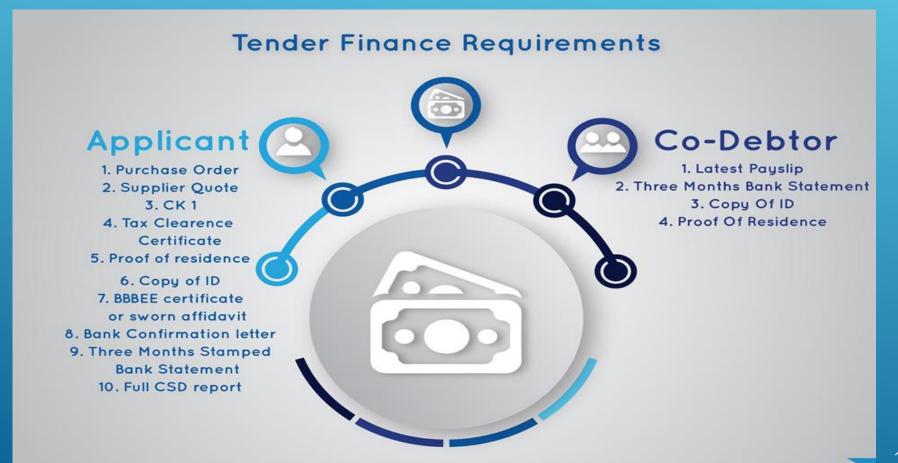
#### **Advantages**

- Funding more than one order
- More profit for SMMES
- ► Low risk for cede capital
- Cession agreement drafted by cede capital
- Good payment history for smmes

## INTEREST AND PAYMENT TERMS

- 90 days payment term
- First 30 days interest 8%(5% Interest and 3% fixed consultation fee)
- Addition of 5% for very 30 days thereafter
- R1050 excl vat Initiation fee
- R60 excl vat administration cost Pro rata

## REQUIRED DOCUMENTS





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