



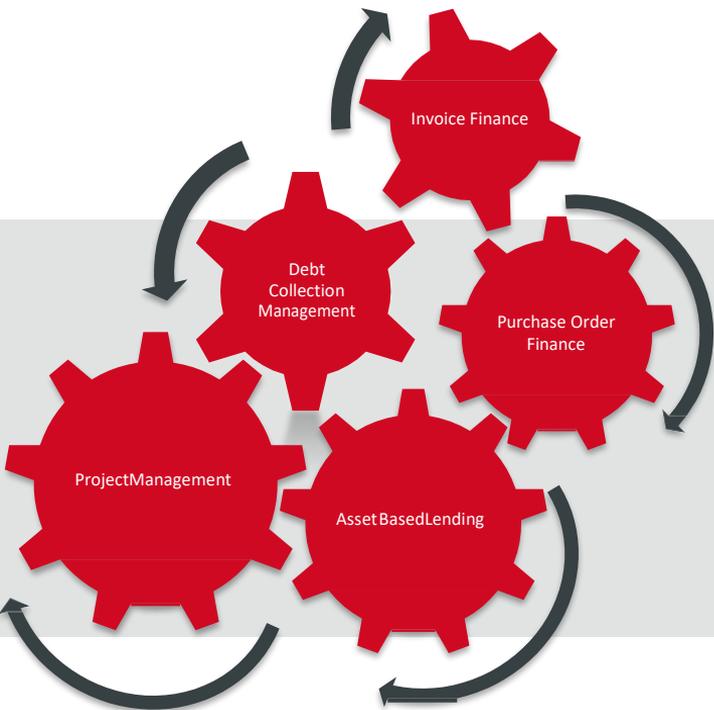
FINANCIAL SERVICES FOR YOUR BUSINESS

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# WHO WE ARE



Mincap was founded in 2008 as an investment company and has since diversified its focus in one distinct market: Finance.

Mincap is an Authorised Financial Service Provider and a Registered Credit Provider. The primary business is in Financial Services in the following areas: Invoice Finance; Purchase Order Finance; Asset Based Lending; Debt Collection Management; Project Management; Corporate Finance activity - Disposals, Leverage transactions, Capital Raising.

# OUR MISSION & VISION



We aim to be the best in providing financial solutions to our clients across the world.

## OUR MISSION

- To invest our resources and capabilities in businesses that exhibit sustainable returns through finance.

## OUR VISION

- To be the best financial business of choice in our chosen markets across the world.

# WHY US?

Our company has identified a great need for a working capital solution that allows SME's to access advance cash that is due from customers instead of waiting for such customers to pay later. The instrument frees up cash tied up in invoices with long remittance terms.

These instruments are offered in a path breaking innovation as opposed to traditional banks who have same approach and method to deal with financing market than tailor made process and product addressing different sectors of the market.

Unfortunately, there are a lot of companies that are still below the pyramid who are not serviced by our traditional banks due to stringent requirements applied by banks as a result marginalize such market. SME's have constraints in - lack of capital, difficulty in procuring base stock, lack of access to resources, low technology capabilities

# OUR ADVANTAGES

Our Finance is flexible as it covers different elements namely:

## INVOICE FINANCE

This is factoring and invoice discounting which is in the form of short-term working capital finance. This can be provided on recourse basis where Mincap has recourse to demand repayment in the event of any advances made against the debt going bleak or bad. Alternatively, it can be done on non-recourse basis where Mincap assumes risk that the debtor does not pay for additional fee. Non-recourse is in a form of funded trade insurance.

## PURCHASE ORDER FINANCE

Purchase order finance is the form of finance whereby Mincap finance supplier expense of your purchase order. Often the seller requires large funds to pay its suppliers in order to produce the goods for the order; a payment which is often required before the production or securing of base stock. In addition, the customer may have lengthy payment terms for the product they are receiving. Cash is often required by the business until they get paid by the customer.

Purchase order finance provides funding to businesses with a purchase order to pay their suppliers. We call it enablement funding, as it funds your cost of sales to enable your business to deliver the goods.

# OUR ADVANTAGES

## ASSET BASED LENDING

We use this one to finance fixed or working capital in the back of assets, we retain the ownership of the asset for the duration of the contract. Unlike with the traditional bank lending whereby future cash-flow projections play an important role in decision making. The decision is based on the value of the specific asset. This Finance is for acquisition of assets for example - unsold stock, raw material, equipment, plant and machines. A monthly revolving facility can be provided that is secured against the pool of assets. This finance is similar to a secured term loan. In rare case Mincap can take ownership of the asset and sell it back to the firm on credit terms. This facility may be more flexible than bank overdraft as it can be extended annually by extending a wide range of assets as security. In this finance Mincap becomes legal owner of the asset financed.

## OTHER ADVANTAGES

- Asset Finance is suited for new and growing business, especially small medium enterprises.
- Risk can be passed over to financier than SME being burdened with risk.

# IDENTIFIED OPPORTUNITY

## **Problem Worth Solving**

There are a number of credible emerging companies that have good orders and growth prospects with limited access to working capital. Lack of access to capital, constraints their ability to carry out business obligations and execute delivery.

## **Our Solution**

Mincap identified the need within the small, medium, micro enterprise environment for delivering tailor made financial solutions to purchase order and invoice holders incorporating funding, risk management, supported turn-key execution.

# OUR TARGET MARKET

Our target market is businesses with turnover between R10 million and R50 million which are declared as Qualifying Small Enterprises and Exempted Micro Enterprises (EME's) with turnover less than R10 million or recently incorporated as exempted by the BBBEE Codes of Good Practice gazette on 11 October 2011.

The target market also incorporates other general emerging markets under serviced by traditional banks and other financial financing market. Innovation is key in servicing this market through four distinct areas of innovation namely:

- **Product Innovation** - Introducing products or service that is new or significantly improved
- **Process Innovation** - Implementing new delivery methods, e.g. technique, software etc.
- **Market Innovation** - Implementing a new marketing method involving changes in product design, packaging tailor made, or pricing.
- **Organizational Innovation** - Implementation of methods of the firm business practices that are geared to service this identified market.

# OUR SERVICE

The financial industry is dominated by large traditional financiers who predominantly focus on sizeable corporate businesses. Smaller companies are often overlooked and neglected. There is a clear need for tailor made financial solutions to enable these businesses to grow and thrive.

## INVOICE FINANCE

Invoice finance is an asset-based working capital solution that allows your business to get an advance on cash that is due from customers, instead of waiting for such customers to pay later. In essence, the *instrument frees up capital tied up in invoices with long remittance terms.*

## How Invoice Finance Works

### **Generate Invoice**

After rendering your service or providing goods to your customers an invoice is generated for them.

### **Send Invoice**

You then send your invoice to Mincap in order to get advance capital tied up to the invoice.

### **Funds Available**

Upon due diligence and agreement, funds are made available. This will be a certain percentage of the face value of the invoice and is usually available within 48 hours.

### **Your Balance**

When your customer pays the invoice, the balance is made available to you, less our service fee.

# OUR SERVICE

## INVOICE FINANCE CONTINUED

We offer different types of invoice finance. For example, confidential invoice finance means that customers and suppliers are unaware that the business is being advanced capital against its sales invoice before payment is received, based on the attributes and merits of each business.

Selective invoice finance is a better option for very small businesses as they often experience fluctuations in cash flow. Reliance is on single receivables, so it is a cheaper solution than the full turnover finance facility into which every invoice must be factored.

The product helps small businesses meet their short-term cash flow requirements, -e.g. payments of trade creditors, during ordinary day to day trading.

# OUR SERVICE

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## How Purchase Order Finance Works

The enablement funding model has certain procedures in order to mitigate risks and build capacity:

- The SMME registers a purchase order contract with the Mincap team
- An expert team is selected to assist in the execution
- A full due diligence process is done on the purchase order contract
- A risk assessment and mitigation process for financing is undertaken
- Mincap generates an offer to the SMME in order to enter into a contract
- The SMME accepts the offer and its contractual terms
- The project execution programme and funding is deployed

# OUR SERVICE

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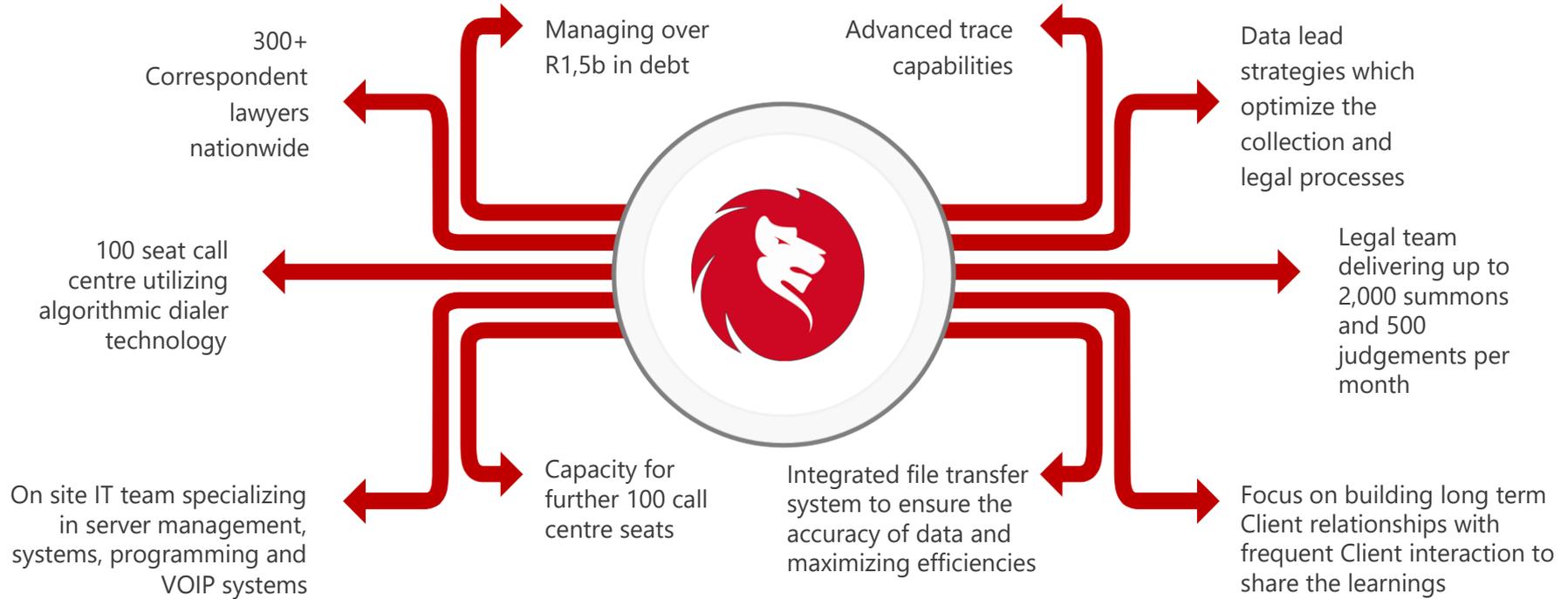
## DEBT MANAGEMENT AND COLLECTIONS

Mincap uses the project management tools and techniques to manage debt collection and recovery of same for various stakeholders in both public and private sector.

The approach is that of maximizing collection without incurring huge legal fees in achieving same.

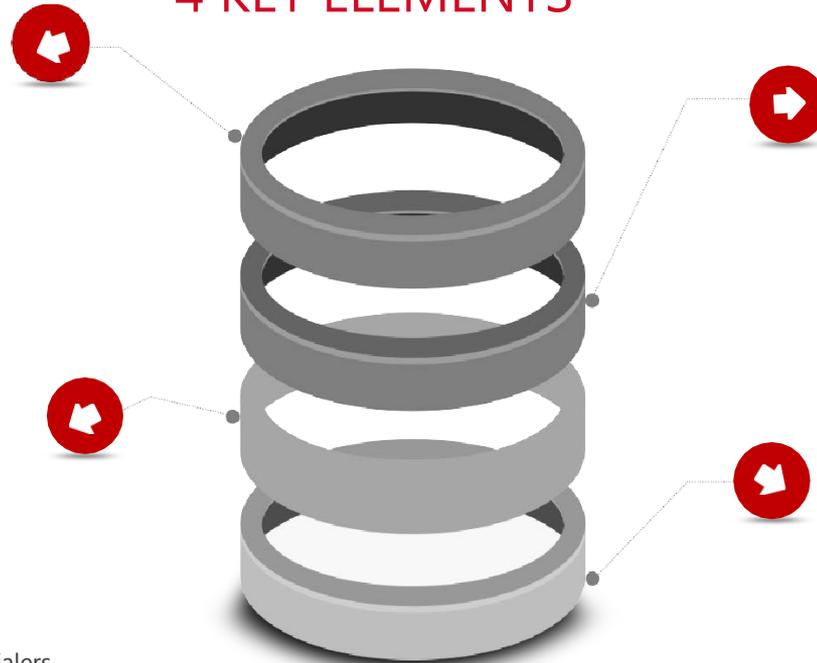
The approach involves centralized project management of collection and recovery, which result in cost effective and better turn around for clients.

# DEBT COLLECTION OVERVIEW



# ELEMENTS OF COLLECTION STRATEGY

## OUR COLLECTION STRATEGY IS BASED ON 4 KEY ELEMENTS



### Trace

- Bulk trace capabilities;
- Obtain and verify debtor's contact information;
- Flag debtor with bureaus to provide new Daily analysis of previous calls to identify challenges
- Fully integrated legal team to execute strategies in line with the call centre strategies
- data; and
- Cross- reference debtors to existing portfolios.

### Collection Capability

- Intensive agent training
- Analyze each portfolio to identify specific characteristics collection strategies at an account level

### Feedback Loop

- Submit regular automated reports to our Clients in agreed format to give overview of our performance
- Schedule management meetings to report and present on high level progress

### Data Analytics

- Use large call centre and algorithmic predictive dialers

# THE TEAM

## DIRECTOR - MADODA PAPIYANA

B Tech Degree (Nelson Mandela Metropolitan University); MBA (University of Liverpool - UK); CSPL Business and Sustainability (University of Cambridge - UK); Financial Management Certificate of Achievement (University of Cambridge - UK); JSE Directors Induction Course (University of Witwatersrand)

The experience involves different roles as a Director in both private and public listed company. Skills and Experience in these industries covers Financial Services – Capital Raising, Portfolio Management, Corporate Investments, Financial Instruments, Lending and Debt recovery; IT and Telecoms; Secure Print and Manufacturing; Consulting and Business Process Outsourcing; Governance and Human Capital Management.

# THE TEAM

## DIRECTOR - LUYOLO POSWA

Certificate in Islamic Finance, Notarial Practice (Euromoney Training, Dubai, UAE), Certificate in Loans and Advanced Loans (Euromoney Training, New York, USA), Master of Laws by Thesis (Maritime Law) (University of Natal, Durban), Certificate in the Mechanics of Financial Markets (Beaufort Institute, Johannesburg), Master of Laws (International Business Law) (University College London, United Kingdom), Diploma in Import and Export (Allenby Campus, Durban), Practical Legal Training (University of Natal/Association of Law Societies), Bachelor of Laws (LLB) (University of Natal, Durban), Bachelor of Arts (Law) (University of Natal, Durban).

Looking after Debt Capital Markets, Acquisition Finance, Structured Finance, Aircraft Finance, Specialized Growth Finance and Commercial Property Finance, Banking & Finance / Corporate Commercial.

# THE TEAM

## DIRECTOR - LETSHEGO THAGANE

A dynamic member of the Mincap team. He holds a Master of Commerce degree in Project Management (M Comm PM) from Cranefield College of Project and Programme Management as well as a Building Construction Technology Programme (BCTP) certificate from the University of the Free State. He consults in Quality Management and has been instrumental in ensuring that his various clients are ISO 9001 certified. Letshego is a full member of Project Management South Africa (PMSA); a member of Project Management Institute (PMI) and also a member of SABS TC 176 committee that is entrusted with ensuring the effective implementation of the ISO sector policy on QMS deliverables in South Africa.

As an experienced project management practitioner, Letshego offers a comprehensive skills-set that adds value and increased credibility to the Mincap stable. As a director responsible for projects at Mincap, he strategically oversees, monitors and manages projects and programs at an executive level. He has acquired much of his career learning in the telecommunications and construction industry before joining Mincap. He provides the reliable, approachable and flexible showmanship required on any project.

# THE TEAM

## DIRECTOR - GEORGINA NELISIWE TEKIE

South African Institute of Chartered Accountants - CA (SA) (NFQ Level 8); University of South Africa - Honours Bachelors in Accounting Science CTA (NFQ Level 8); University of South Africa - B Com Accounting (NFQ Level 7).

Georgina is a Chartered Accountant and Directors of Tholisiwe Chartered Accountants Inc. She completed her articles at PKF Pretoria which later became Mazars Pretoria. In 2012 she became a director at Mazars and went on to head the firm's public-sector portfolio. During this time, she also signed off on audits for JSE listed clients, one of only a handful of black women to do so in the audit profession. Georgina founded Tholisiwe (a female, black youth owned firm) in 2015 taking responsibility for a portfolio of clients whose scope of work included internal and external audit, corporate finance and financial reporting.

She has a total of 11 years of experience gained at PKF, Mazars and Tholisiwe. During this time, she has been involved in a number of engagements which have focused Transaction Advisory, Financial Analysis and Corporate Finance.

# AUDITORS/ADVISORS

## ADVISORS AND AUDITORS

### **Tax Advisors**

- Tax Advisors/Consultants - Grant Thornton

### **Auditors**

- External Auditors –BDO

# CONTACT



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