

RELIEF FUND HYBRID -  
APPLICATION FORM  
R250 000 - R75 million



# THE NEF APPLICATION FORM

## R250 000 - R75 million

Complete this application in full with all the required information, **including copies of your** comprehensive business plan and financial projections [refer pages 3-6 for guidelines], incomplete applications will not be assessed. Do not submit master/original copies, all documents submitted, including business plans, will not be returned to applicants, this also applies to declined and withdrawn submissions. **NB: THIS FORM IS FREE AND NO FEES ARE PAYABLE TO THE NEF OR ANY OTHER PERSONS FOR THE COMPLETION OR ASSISTANCE WITH THIS APPLICATION FORM.** To view the electronic format please visit: [www.nefcorp.co.za](http://www.nefcorp.co.za) | [www.sioc-cdt.co.za](http://www.sioc-cdt.co.za)

## BUSINESS DETAILS

Name of business:	<input type="text"/>			Finance required: (Rands)	<input type="text"/>
Physical address and province:	<input type="text"/>			Stage of business:	Start-up/new: <input type="checkbox"/>
	<input type="text"/>				Existing: <input type="checkbox"/>
Postal address:	<input type="text"/>				Years in existence: <input type="checkbox"/>
	<input type="text"/>				
Business tel. number:	<input type="text"/>			Type of industry:	<input type="text"/>
Business fax. number:	<input type="text"/>			Key contact person:	<input type="text"/>
	Rural	Urban	Peri-Urban	Key contact person's number:	<input type="text"/>
Business Location:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Email address:	<input type="text"/>

## APPLICANTS DETAILS

Name:	Surname:	<input type="text"/>	<input type="text"/>	<input type="text"/>
Identity number:				
Cellphone:	BEE classification	A <input type="checkbox"/>	C <input type="checkbox"/>	I <input type="checkbox"/> W <input type="checkbox"/>
Email address:	<input type="text"/>			

Name:	Surname:	<input type="text"/>	<input type="text"/>	<input type="text"/>
Identity number:				
Cellphone:	BEE classification	A <input type="checkbox"/>	C <input type="checkbox"/>	I <input type="checkbox"/> W <input type="checkbox"/>
Email address:	<input type="text"/>			

Name:	Surname:	<input type="text"/>	<input type="text"/>	<input type="text"/>
Identity number:				
Cellphone:	BEE classification	A <input type="checkbox"/>	C <input type="checkbox"/>	I <input type="checkbox"/> W <input type="checkbox"/>
Email address:	<input type="text"/>			

## DIRECTORS/MEMBERS INTEREST

Name	*BEE/Non-BEE	Male/Female	Contribution	Shareholding % (Pre-NEF funding)	Shareholding % (Post-NEF funding)
<b>TOTAL</b>					

\* "Black people" are, African, Coloured and Indian natural persons who are citizens of the Republic of South Africa by birth or by descent as well as natural persons who acquired citizenship by naturalisation prior to 27 April 1994.

FOR OFFICE USE ONLY

Date of original application:	D	D	M	M	Y	Y	Y	Y	Resubmission	<input type="checkbox"/>
Reference number:										
Product type:	Entrepreneurship finance	<input type="checkbox"/>	Franchise finance	<input type="checkbox"/>	Acquisition finance	<input type="checkbox"/>				
	Procurement finance	<input type="checkbox"/>	Rural and community development	<input type="checkbox"/>	New ventures	<input type="checkbox"/>				
	Expansion capital	<input type="checkbox"/>	Strategic project fund	<input type="checkbox"/>						

The NEF will not consider applications that do not comply with all current RSA legislation pertaining to the operations of a business, including but not limited to, all tax and corporate governance laws/principles. Where appropriate the NEF may report such cases to the relevant authorities.

OPERATING ENTITY:		Accounting Officer:		CURRENT REGISTRATIONS	
Company:	<input type="checkbox"/>			Yes	<input type="checkbox"/> No <input type="checkbox"/>
Reg no:	<input type="text"/>				
Close Corporation:	<input type="checkbox"/>				
Reg no:	<input type="text"/>				
Other:	<input type="checkbox"/>				
Please elaborate:	<input type="text"/>	(indicate by X)			
	<input type="text"/>	VAT		Yes	<input type="checkbox"/> No <input type="checkbox"/>
		RSC		Yes	<input type="checkbox"/> No <input type="checkbox"/>
Purpose of Finance: (Rands):	<input type="checkbox"/> <input type="text"/>	UIF		Yes	<input type="checkbox"/> No <input type="checkbox"/>
Business acquisition:	<input type="checkbox"/> <input type="text"/>	PAYE		Yes	<input type="checkbox"/> No <input type="checkbox"/>
Asset acquisition:	<input type="checkbox"/> <input type="text"/>	INCOME TAX		Yes	<input type="checkbox"/> No <input type="checkbox"/>
Working capital:	<input type="checkbox"/> <input type="text"/>	CONTACTABLE BUSINESS REFERENCES:			
Start-up: (Additional set-up costs)	<input type="checkbox"/> <input type="text"/>	1. Name:			
Bridging finance:	<input type="checkbox"/> <input type="text"/>	Telephone:			
Total Funding Requested	<input type="text"/>	2. Name:			
		Telephone:			
AVAILABILITY OF THE FOLLOWING:		3. Name:			
(Indicate by X)		Telephone:			
Own contribution	Yes <input type="checkbox"/> No <input type="checkbox"/>				
	<input type="text"/>				
Source	<input type="text"/>				

To be signed by all applicants

I/we the applicant as detailed below declare that the information provided in this document is a true and correct reflection of the facts, and I/we consent to a background verification of such information.

I furthermore authorise KreditInform (Pty) Ltd. to conduct all background checks including but not limited to credit bureau searches, employment history, and any other relevant checks in the pre- or post-investment vetting process and where necessary to request the South African Police Services, Tertiary Education Institutions to furnish personal information regarding my criminal background, criminal history, previous convictions and / or any other relevant information such as is usually furnished by the Criminal Record Centre of the South African Police Services, and or Tertiary Education Institutions in this regard, to the above agency / the NEF's duly authorised agent.

I furthermore unconditionally indemnify the South African Police Services, The NEF, Tertiary Education Institutions and all it's members, employees as well as the Government of the Republic of South Africa against any liability which results or may result from furnishing information in this regard.

I understand that it is a condition of the South African Police Services and Tertiary Education Institutions, that -

- (b) the NEF's duly authorised agent is responsible for verifying the accuracy, in every respect, of the information furnished by the South African Police Services.

Tick applicable box

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## DOCUMENT AND INFORMATION CHECKLIST

Please provide us with the applicable documents as outlined below;  
Where the information requested is not applicable please write "not applicable" or "n/a"

		Existing Business	Start-up Business
1	Application form and Business plan	•	•
2	Affidavit from members or directors that they are aware of the contents of the application form	•	
3	Three (3) year audited financials (Income Statement, Balance Sheet, Cash Flow Statement)	•	
4	Five (5) year financial projections (Income Statement, Balance Sheet and monthly Cash Flow Statement) with first year prepared on a monthly basis	•	•
5	Recent management accounts (Income Statement and Balance Sheet)	•	
6	Personal Statements of Assets and Liabilities of all the members or directors including those of spouses if person is married in Community of Property	•	•
7	Business bank statements for the past twelve (12) months	•	
8	Certified ID copies of all members or directors	•	•
9	Registration Documents and all the relevant legal documents relevant to the entity	•	•
10	Detailed profile of the Franchisor	•	•
11	Details of why the business is for sale	•	
12	Sale Agreement	•	
13	Franchise Agreement	•	•
14	Historical financials of other franchises that are similar in size and in similar locations	•	•
15	Indication from the Franchisor of how much a new Franchise in a similar location would cost	•	•
16	Indication of whether the lease agreement will be ceded to the new company after the sale or a new lease agreement will be signed If lease is ceded, how long will it still run for before renewal? New lease if it is a new franchise.	•	•
17	The prospective buyer must have been approved by the franchisor	•	
18	Fica compliance - Proof of residence	•	•
19	Detailed CV of principle Applicant	•	•

NB:

- AN APPLICATION WILL BE REJECTED IF YOU DO NOT SUBMIT ALL THE DOCUMENTS AS PER THE ABOVE LIST AND GUIDELINES.
- PROVIDE ALL OTHER DOCUMENTS RELEVANT TO YOUR BUSINESS NOT LISTED ABOVE.
- OUR APPLICATION PROCESS IS APPROXIMATELY 3 TO 4 MONTHS FROM THE RECEIPT OF THE APPLICATION UP TO DISBURSEMENT STAGE.

## BUSINESS PLAN GUIDELINES AND INFORMATION CHECKLIST

PLEASE NOTE THAT THIS SECTION ONLY PROVIDES GUIDELINES TO ASSIST YOU WITH COMPILING A BUSINESS PLAN THAT MEETS THE NEF'S MINIMUM INFORMATION REQUIREMENTS AND DOES NOT REQUIRE ALL SUBMISSIONS TO FOLLOW THIS FORMAT. ALL OTHER BUSINESS PLANS WILL BE ACCEPTED PROVIDED ALL THIS INFORMATION HAS BEEN SUFFICIENTLY COVERED IN THOSE PROPOSALS.

### 1. Executive Summary

Provide a brief description of the business, the reason the funding is required, background on the promoters, and an overview of the socio-economic benefits.

### 2. Purpose of required funding

Motivate why capital is required and provide details of how these funds will be applied.

### 3. Valuation of Business

If funds are to be used for the purchase of an existing business, please provide details of how business valuation has been derived, eg, DCF, NAV, price-earnings.

### 4. Products and Services

Describe the product and/or service offering by including the following:

- Benefits to the user
- Specifications of products/services
- Unique selling proposition
- Product mix
- Source of revenue/contractual revenue
- Product life cycle
- Potential and proposed new product developments
- Export potential

### 5. Industry analysis

Provide information on industry by including the following:

- Summary of the industry
- Value drivers and industry price structures
- Historical growth rates
- Trends and problems the industry is facing
- Recent developments
- How is the market segmented and why
- Applicable industry ratios
- Legal and regulatory environment
- Economic outlook
- Growth constraints
- Growth opportunities
- Cyclical and seasonality
- Industry specific risks

### 6. Target market analysis

Provide information on customers by including the following:

- Market analysis (size and growth in terms of number of products, money value and number of customers)
- Target Market and geographic coverage
- List of existing and potential customers
- Letters of intent, contracts and orders on hand
- Bargaining power of customers
- Growth opportunities i.e. new products/new customers
- Distribution channels

### 7. Competitor analysis

Provide information on competitors, by including the following:

- Market share
- Barriers to entry and new entrants
- Substitute products
- Details of marketing budget
- Marketing strategy to realise objectives

### 8. Supplier analysis

Provide information on suppliers by including the following:

- Number of suppliers

- Bargaining power of suppliers
- Availability of raw materials
- Cost of imported vs local materials
- Rand/Dollar exchange rate (where applicable)

### 9. Operational analysis

Provide information on operations by including the following:

- Production processes
- Equipment required
- Plant capacity and utilisation
- Production costs
- Replacement requirements
- New technology requirements
- Quality control/reject rate
- Raw materials required

### 10. Management and Human Resources

Provide information on management and HR by including the following:

- Management experience and qualifications
- Number of employees
- % BEE • Skills required
- Training programmes
- Staff turnover

### 11. Summary of all internal and external risks

Provide a summary of information on the principle risks that the entity is subject to and how these risks will be addressed.

### 12. Socio-economic benefits

Provide information on socio-economic benefits by including the following:

- Job creation
- Poverty alleviation
- Women participation
- Skills transfer/training
- Industrial growth and development
- Number of households to benefit

### 13. Financial/cash flow analysis

See attached templates for layout of financial statements:

- Please provide income statement, balance sheet and cash-flow statements and state assumptions used in projections
  - Financials should reflect: 3 years historic information for existing entities plus 5 year forecasts
  - Please provide the most recent management accounts if the business is already in existence
  - The first year of financial forecasts must be broken down month by month
- Please include commentary on the financials to date and the forecasts, as well as:

- Break-even analysis
- Specify value drivers for base, best vs worse case scenario
- Cash flow cycle, seasonal, monthly, credit days, debtors days, stock days
- Profit margins
- Profitability
- Key assumptions used in compiling cash flow forecasts
- Cost drivers (What proportion is fixed)
- Debt structure
- Working capital review/analysis
- Fixed assets profile For Start-ups please attach a five-year forecast, analysis as stated above but emphasis should be on motivating why forecasts on sales are achievable and costs are reasonable.

## INCOME STATEMENT TEMPLATE (Please also provide year-1 forecasts month by month)

	HISTORICAL			PROJECTED/FORECAST				
	Year-3	Year-2	Year-1	Year-1	Year-2	Year-3	Year-4	Year-5
Sales in units								
Sales in Rands								
Less: Cost of sales								
Raw material a								
Raw material b								
Direct labour								
Gross profit								
Less: Operating expenses								
Accounting and auditing fees								
Advertising								
Depreciation								
Distribution cost								
Equipment leases								
Insurance								
Interest								
Motor vehicle expenses								
Office expenses								
Other expenses								
Printing and stationery								
Rental, electricity, water								
Salaries and wages								
Directors' salaries								
Security costs								
Telephone								
Income/(loss) before tax								
Income tax								
Income/(loss) after tax								

## BALANCE SHEET TEMPLATE

	HISTORICAL			PROJECTED/FORECAST				
	Year-3	Year-2	Year-1	Year-1	Year-2	Year-3	Year-4	Year-5
<b>ASSETS</b>								
<b>Fixed assets</b>								
Land and buildings								
Motor vehicles								
Furniture and fitting								
Machinery and equipment								
Other								
<b>Current assets</b>								
Debtors								
Stock								
Cash surplus/(deficit)								
<b>Total assets</b>								
<b>EQUITIES AND LIABILITIES</b>								
<b>Capital and reserves</b>								
Share capital								
Shareholders' loan								
Retained income								

## BALANCE SHEET TEMPLATE (continued)

	HISTORICAL			PROJECTED/FORECAST				
	Year-3	Year-2	Year-1	Year-1	Year-2	Year-3	Year-4	Year-5
Non-current liabilities								
Term loan								
Other loan								
Current liabilities								
Creditors								
Bank overdraft loan								
Total equity and liabilities								
Debtors' days								
Creditors' days								

## CASH FLOW STATEMENT TEMPLATE (Please also provide year-1 forecasts month by month)

CASH FLOWS	HISTORICAL			PROJECTED/FORECAST				
	Year-3	Year-2	Year-1	Year-1	Year-2	Year-3	Year-4	Year-5
FROM OPERATING ACTIVITIES								
Net profit before taxation								
Adjustments for:								
Depreciation, amortisation								
Interest paid								
Interest received								
(Increase)/decrease in debtors								
Increase/(decrease) in creditors								
(Increase)/decrease in stock								
Cash generated from operations								
Interest paid								
Dividends paid								
Preference dividends (paid)								
Income taxes paid								
Net cash from operating activities								
CASH FLOWS FROM OPERATING ACTIVITIES								
Capital expenditure								
Interest received								
Net cash used in investing activities								
CASH FLOWS FROM FINANCING ACTIVITIES								
Proceeds on issue of shares								
Proceeds on disposal of fixed assets								
Holding company loan								
Preference shares								
Nedbank long-term loan								
Net cash used in investing activities								
Net change in cash								
Cash equivalent at beginning of period								
Cash equivalent at end of period								
RATIOS								
Gross margin								
Net margin								
Current ratio								
Debtors’ days								
Creditors’ days								
Stock days								
Debt to equity ratio								
Interest cover								

## HOW TO REACH THE NATIONAL EMPOWERMENT FUND

### Gauteng Province

#### Head Office

West Block, 187 Rivonia Road, Morningside 2057, PO Box 31, Melrose Arch, Melrose North 2076  
Tel: +27 (11) 305 8000 | Fax: +27 (11) 305 8001 | Call Centre: 0861 843 633 | 0861 (THE NEF)  
applications@nefcorp.co.za (Funding) | info@nefcorp.co.za (General Enquiries)

### Eastern Cape Province

7b Derby Road, Berea, East London 5241 | Tel: (043) 783 4200 | 0861 NEF ECP (0861 633 327)  
Fax: 0861 ECP NEF (0861 327 633) | easterncape@nefcorp.co.za

### Free State Province

34 Fountain Towers, Corner Zastron and Markgraaf Street, Westdene, Bloemfontein, 9300  
Tel: (051) 407 6360 | 0861 NEF FSP (0861 633 377) | Fax: 0861 FSP NEF (0861 377 633)  
freestate@nefcorp.co.za

### KwaZulu-Natal Province

4th Floor (South Side), Grindrod Bank Building, 5 Arundel Close, Kingsmead Office Park,  
Durban | Tel: (031) 301 1960 | 0861 NEF KZN (0861 633 596) | Fax: 0861 KZN NEF (0861 596 633)  
kzn@nefcorp.co.za

### Limpopo Province

Suite 8, Biccard Park, 43 Biccard Street, Polokwane 0699 | Tel: (015) 294 9200 | 0861 NEF LIM (0861 633 546)  
Fax: 0861 LIM NEF (0861 546 633) | limpopo@nefcorp.co.za

### Mpumalanga Province

13 Ferreira Street, Maxsa Building, 2nd floor, Nelspruit | Tel: (013) 754 9860 | 0861 NEF MPU (0861 633 678)  
Fax: 0861 MPU NEF (0861 678 633) | mpumalanga@nefcorp.co.za

### Northern Cape Province

Block Three, Ground Floor, The Montrie Corporate Park, 10 Oliver Road, Monument Heights, Kimberley  
Tel: (053) 831 1152 | 0861 NEF NCP (0861 633 627) | Fax: 0861 NCP NEF (0861 627 633) | northerncape@nefcorp.co.za

### North West Province

32B Heystek Street, Sunetco Office Park, Ground Floor, Rustenburg, 0299 | Tel: (014) 523 9220  
0861 NEF NWP (0861 633 697) | Fax: 0861 NWP NEF (0861 697 633) | northwest@nefcorp.co.za

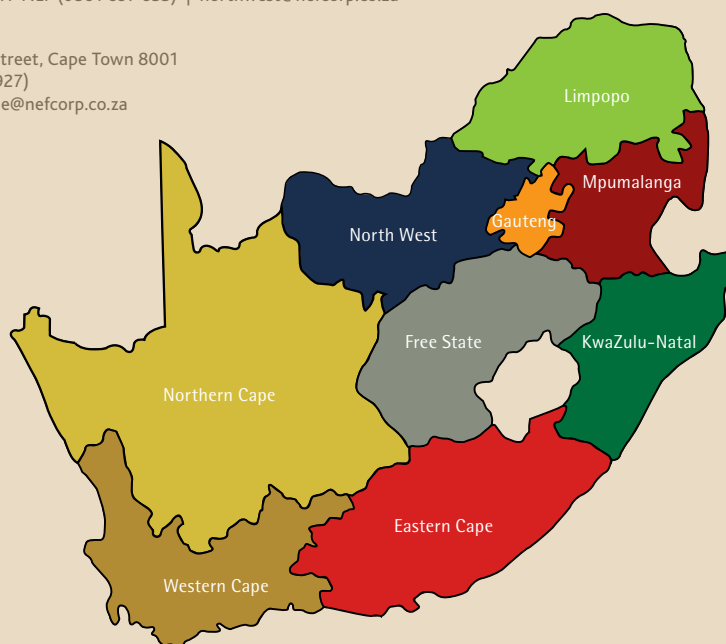
### Western Cape Province

Suite 2815, 28th Floor, ABSA Centre, 2 Riebeeck Street, Cape Town 8001  
Tel: (021) 431 4760 | 0861 NEF WCP (0861 633 927)  
Fax: 0861 WCP NEF (0861 927 633) | westerncape@nefcorp.co.za

### SIOC-CDT

SIOC-CDT Office Park, Block A, Ground  
Floor, Cnr Hendrick van Eck & Ian  
Flemming, Kathu

11 Jordan Street, Mollies Building,  
Thabazimbi



## STOP Fraud, Corruption and Theft

Contact Tip-Offs Anonymous on 0800 212 705 or email nef@tip-offs.com  
If you suspect any irregularity in the application process



National Empowerment Fund Trust (established by Act 105 of 1998) IT: 10145/00.  
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