

# THE NEF APPLICATION FORM

## R250 000 - R75 million



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Please complete this application in full with all the required information, including a comprehensive business plan proposal and the required financials as described below. Where the information requested is not applicable please write "Not Applicable" or "N/A". Incomplete applications will not be accepted. All business plan proposals declined by the NEF or withdrawn by the applicant, will not be kept on our records, please do not submit master/original documents. **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)

### APPLICANT DETAILS

Name:											Surname:																			
Identity number:	<table border="1"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table>																													
Residential address:																														
Postal address:																														
Telephone:											Cellphone:																			
Fax:											E-mail:																			
											BEE classification	A <input type="checkbox"/> C <input type="checkbox"/> I <input type="checkbox"/> W <input type="checkbox"/>																		

### BUSINESS DETAILS

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

### SHAREHOLDERS/MEMBERS OF THE COMPANY/CC

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

\* "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:	<table border="1"><tr><td>D</td><td>D</td><td>M</td><td>M</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td></tr></table>										D	D	M	M	Y	Y	Y	Y	Resubmission	<input type="checkbox"/>	
D	D	M	M	Y	Y	Y	Y														
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"/> Project finance <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.

BEE PARTICIPATION IN:						Current	Future
Shareholding/ownership (%)							
Management (%)							
	BEE			Non-BEE			
Details	Male	Female	Total	Male	Female	Total	Grand Totals
Senior Management							
Non-Managerial Staff							
Temporary Staff							
Grand Totals							

<b>OPERATING ENTITY:</b>  Purpose of Finance: <i>(Rands)</i> :  Business acquisition: Asset acquisition: Working capital: Start-up: (Additional set-up costs) Other (please state):  <b>AVAILABILITY OF THE FOLLOWING:</b> <i>(Indicate by X)</i> Accounting Officer:	Company: <input type="checkbox"/> Reg no: <input type="text"/> (indicate by X) Close Corporation: <input type="checkbox"/> VAT Reg no: <input type="text"/> RSC Other: <input type="checkbox"/> UIF Please elaborate: <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>  <input type="checkbox"/> R <input type="text"/> <input type="checkbox"/> R <input type="text"/> <input type="checkbox"/> R <input type="text"/> <input type="checkbox"/> R <input type="text"/> <input type="checkbox"/> <input type="text"/> <input type="checkbox"/> R <input type="text"/>  Yes <input type="checkbox"/> No <input type="checkbox"/>	<b>CURRENT REGISTRATIONS</b>  Yes <input type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/>  <b>CONTACTABLE BUSINESS REFERENCES:</b> 1. Name: _____ Telephone: _____ 2. Name: _____ Telephone: _____ 3. Name: _____ Telephone: _____
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## DECLARATION AND CONSENT

To be signed by all applicants

### INDEMNITY BY APPLICANT

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 -

- (a) the information is furnished solely for the purpose of my proposed application
- (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

Full name	Signed at	Signature	Date	BEE	Non-BEE
Full name	Signed at	Signature	Date	BEE	Non-BEE
Full name	Signed at	Signature	Date	BEE	Non-BEE
Full name	Signed at	Signature	Date	BEE	Non-BEE

## DOCUMENT AND INFORMATION CHECKLIST

Please provide us with the applicable documents as outlined below;

		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.

## RISK AND COMMERCIAL VIABILITY ANALYSIS

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
  - Cyclicalities 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 monthPlease 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
<b>Non-current liabilities</b>								
Term loan								
Other loan								
<b>Current liabilities</b>								
Creditors								
Bank overdraft loan								
<b>Total equity and liabilities</b>								
Debtors' days								
Creditors' days								

## CASH FLOW 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
<b>CASH FLOWS</b>								
<b>FROM OPERATING ACTIVITIES</b>								
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								
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>								
Capital expenditure								
Interest received								
Net cash used in investing activities								
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>								
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								
<b>RATIOS</b>								
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

### Head Office

#### Gauteng Province

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: 0861 NEF ECP (0861 633 327) | easterncape@nefcorp.co.za

#### Free State Province

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

#### KwaZulu-Natal Province

Smart X - Change Building, 5 Walnut Road, Durban, 4001  
Tel: 0861 NEF KZN (0861 633 596) | kzn@nefcorp.co.za

#### Limpopo Province

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

#### Mpumalanga Province

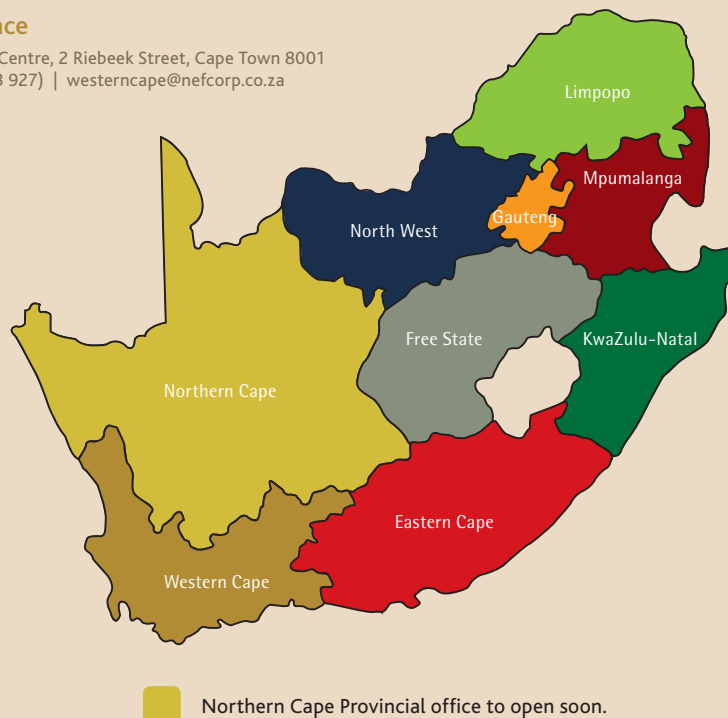
Trust Building, 16 Brander Street, Nelspruit, 1200  
Tel: 0861 NEF MPU (0861 633 678) | 013 754 9860 | mpumalanga@nefcorp.co.za

#### North West Province

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

#### Western Cape Province

Suite 2818, 28th Floor, ABSA Centre, 2 Riebeeck Street, Cape Town 8001  
Tel: 0861 NEF WCP (0861 633 927) | westerncape@nefcorp.co.za



## 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

