

THE NEF APPLICATION FORM
R250 000 - R75 million



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R250 000 - R75 million

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 All business plan proposals declined by the NEF or withdrawn by the applicant, will not be kept on our records, please do not submit master/original documents.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

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><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 | | | | | | | | |

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

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 | <input type="checkbox"/> BEE <input type="checkbox"/> Non-BEE |
| Full name | Signed at | Signature | Date | <input type="checkbox"/> BEE <input type="checkbox"/> Non-BEE |
| Full name | Signed at | Signature | Date | <input type="checkbox"/> BEE <input type="checkbox"/> Non-BEE |
| Full name | Signed at | Signature | Date | <input type="checkbox"/> BEE <input type="checkbox"/> 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.
 - Bargaining power of suppliers
 - Availability of raw materials
 - Cost of imported vs local materials
 - Rand/Dollar exchange rate (where applicable)
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
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 |
| ASSETS | | | | | | | | |
| Fixed assets | | | | | | | | |
| Land and buildings | | | | | | | | |
| Motor vehicles | | | | | | | | |
| Furniture and fitting | | | | | | | | |
| Machinery and equipment | | | | | | | | |
| Other | | | | | | | | |
| Current assets | | | | | | | | |
| Debtors | | | | | | | | |
| Stock | | | | | | | | |
| Cash surplus/(deficit) | | | | | | | | |
| Total assets | | | | | | | | |
| EQUITIES AND LIABILITIES | | | | | | | | |
| Capital and reserves | | | | | | | | |
| 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)

| | HISTORICAL | | | PROJECTED/FORECAST | | | | |
|--|------------|--------|--------|--------------------|--------|--------|--------|--------|
| | Year-3 | Year-2 | Year-1 | Year-1 | Year-2 | Year-3 | Year-4 | Year-5 |
| CASH FLOWS | | | | | | | | |
| 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

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

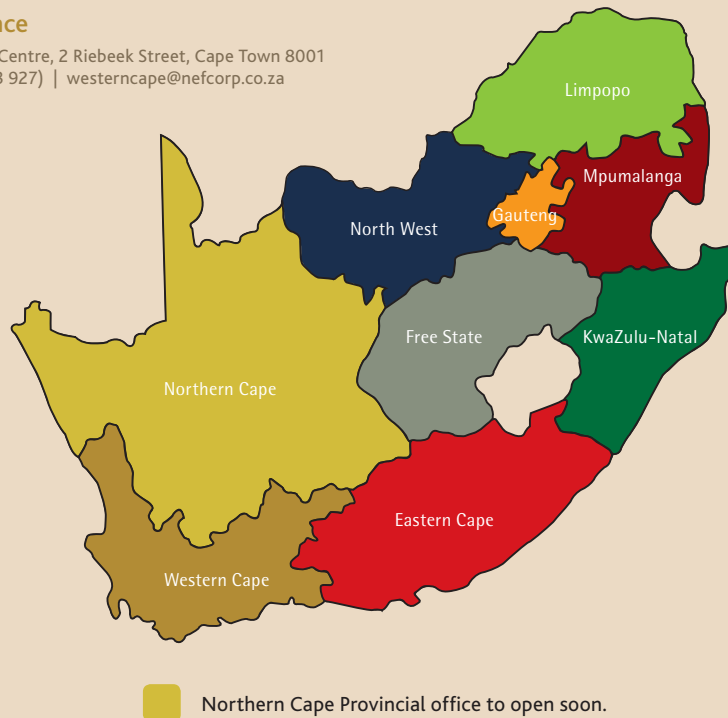
Trust Building, 16 Brander Street, Nelspruit, 1200
Tel: 0861 NEF MPU (0861 633 678) | 013 754 9860 | mpumalanga@nefcorp.co.za

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

