

# THE NEF APPLICATION FORM

## R250 000 – R50 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 All business plan proposals declined by the NEF or withdrawn by the applicant, will not be kept on our records, please do not submit master/original documents.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](http://www.nefcorp.co.za)

### APPLICANT DETAILS

Name:		Surname:	
Residential address:			
Postal address:			
Telephone:		Cellphone:	
Fax:		e-mail:	
		BEE status:	Yes <input type="checkbox"/> No <input type="checkbox"/>

### BUSINESS DETAILS

Name of business:		Finance required: (Rands):	
		Amount:	
Physical address and province:		Stage of business:	Start-up/new: <input type="checkbox"/>
			Existing: <input type="checkbox"/>
		Type of industry:	Years in existence: <input type="checkbox"/>

### SHAREHOLDERS/MEMBERS OF THE COMPANY/CC

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

\*See definition on page 5

### FOR OFFICE USE

Date of original application:	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	Resubmission: <input type="checkbox"/>
Reference no.:		
Product type:	Entrepreneurship finance <input type="checkbox"/> Procurement finance <input type="checkbox"/> Expansion capital <input type="checkbox"/>	Franchise finance <input type="checkbox"/> Rural and community development <input type="checkbox"/> Strategic projects fund <input type="checkbox"/>
	Acquisition finance <input type="checkbox"/>	Project finance <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 (%):		
Employees (%):		
Total number of employees:		

<b>OPERATING ENTITY:</b>  Company: <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"/>  <b>Purpose of finance: (Rands):</b> Business acquisition: <input type="checkbox"/> R <input type="text"/> Asset acquisition: <input type="checkbox"/> R <input type="text"/> Working capital: <input type="checkbox"/> R <input type="text"/> Start-up: <input type="checkbox"/> R <input type="text"/> Other (please state): <input type="checkbox"/> <input type="text"/> <input type="checkbox"/> R <input type="text"/>	<input type="checkbox"/> <i>(indicate by X)</i> VAT RSC UIF PAYE Income Tax	<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>AVAILABILITY OF THE FOLLOWING:</b> <i>(indicate by X)</i> Dedicated accountant working in the business: Yes <input type="checkbox"/> No <input type="checkbox"/>	<b>CONTACTABLE BUSINESS REFERENCES:</b> 1. Name: _____ Telephone: _____ 2. Name: _____ Telephone: _____

### DECLARATION AND CONSENT

#### To be signed by all applicants

I/We the applicants as detailed below declare that the information provided in this document is a true and a correct reflection of the facts, and I/we fully consent to a background verification of such information. Please find attached herewith certified copy/copies of identity documents. I/We hereby warrant that I/we am a black person ("BEE") in terms of the following definition:  
 \*"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.

Full name	Signed at	Signature	Date	Tick applicable box	
.....	.....	.....	.....	BEE	Non-BEE
.....	.....	.....	.....	BEE	Non-BEE
.....	.....	.....	.....	BEE	Non-BEE
.....	.....	.....	.....	BEE	Non-BEE

### 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

## BUSINESS PLAN GUIDELINES AND INFORMATION CHECKLIST (continued)

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

## FINANCIAL ANALYSIS

### 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								
<b>Sales in Rands</b>								
<b>Less: Cost of sales</b>								
Raw material a								
Raw material b								
Direct labour								
<b>Gross profit</b>								
<b>Less: Operating expenses</b>								
Accounting and auditing fees								
Advertising								
Depreciation								
Distribution cost								
Equipment leases								
Insurance								
Interest								
Motor vehicle expenses								
Office expense								
Other expenses								
Printing and stationery								
Rental, electricity, water								
Salaries and wages								
Directors' salaries								
Security costs								
Telephone								
<b>Income/(loss) before tax</b>								
Income tax								
<b>Income/(loss) after tax</b>								

**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 fittings								
Machinery and equipment								
Computer 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								
<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								
<b>Cash generated from operations</b>								
Interest paid								
Dividends paid								
Preference dividends (paid)								
Income taxes paid								
<b>Net cash from operating activities</b>								
<b>CASH FLOWS</b>								
<b>FROM INVESTING ACTIVITIES</b>								
Capital expenditure								
Interest received								
<b>Net cash used in investing activities</b>								
<b>CASH FLOWS</b>								
<b>FROM FINANCING ACTIVITIES</b>								
Proceeds on issue of shares								
Proceeds on disposal of fixed assets								
Holding company loan								
Preference shares								
Nedbank long-term loan								
<b>Net cash used in investing activities</b>								
<b>Net change in cash</b>								
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								

**BEE SCORECARD (Abridged version)**

Please complete the attached BEE scorecard

BEE element	Weighting	Indicator	Indicator weighting	Target	Company's score	Company score post-NEF transaction
Ownership	20%	Exercisable voting rights by black people	3%	25%		
		Exercisable voting rights by black women	2%	10%		
		Economic interest in the enterprise to which black people are entitled	4%	25%		
		Economic interest in the enterprise to which black women are entitled	2%	10%		
		Economic interest in the Enterprise to which black designated groups are entitled	1%	2,5%		
		Ownership fulfilment	1%	No restrictions		
		Net economic interest	7%	10% Year 1 20% Year 2 40% Year 3, 4 60% Year 5, 6 80% Year 7, 8 100% Year 9, 10		
		Ownership by Broad-Based BEE Schemes or New Entrants (Bonus)	3%	Bonus per each level of five percent		
Management control	10%	Exercisable voting rights by black people	3%	50%		
		Members of the board who are black people	1%	50%		
		Members of the board who are black women	1%	25%		
		Black senior executive representation	2%	40%		
		Black women senior executive representation	1%	20%		
		Black other executive representation	1%	40%		
		Black women representation as other executives	1%	20%		
Black independent director representation (Bonus)	1%	40%				
Employment equity	10%	Black people with disabilities as a percentage of all full-time employees	2%	3%		
		Black senior management percentage of all senior management	2%	40%		
		Black women senior management percentage of all senior management	2%	20%		
		Black professionals, experienced specialists and middle management level as a percentage of all professionals, experienced specialists and middle management	2%	50%		
		Black women professionals, experienced specialists and middle management level as a percentage of all professionals, experienced specialists and middle management	1%	25%		
		Black skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents as a percentage of skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents.	1%	60%		

TOTAL

**NEF contact numbers:**

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National Empowerment Fund Trust (established by Act 105 of 1998) IT 10145/00  
 A member of the dti group.