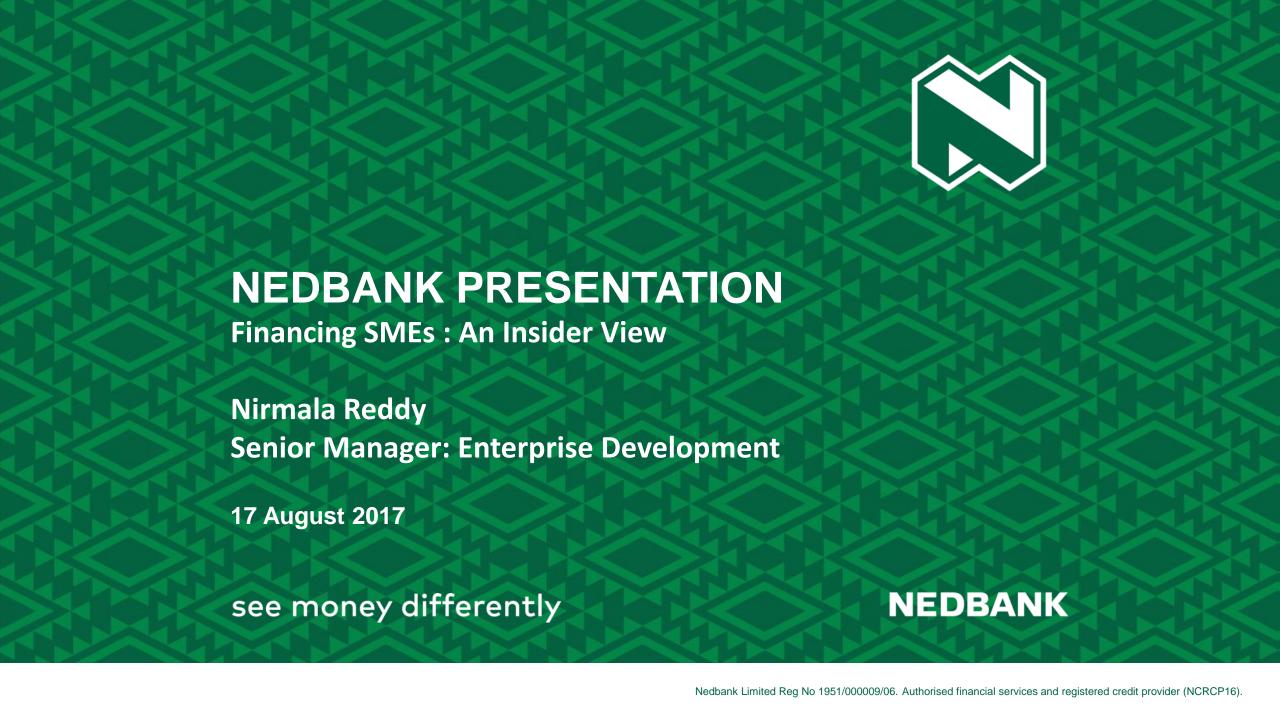
# fundEX2017

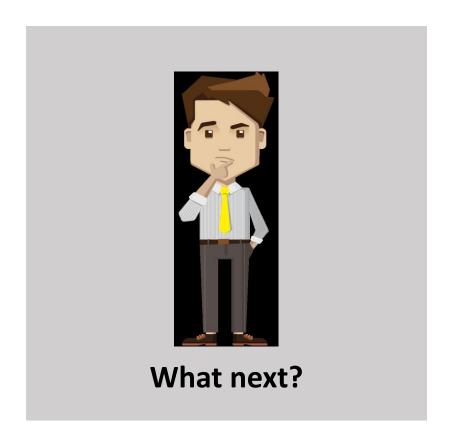
17 AUGUST 2017







# You need funding .....



#### **Business Finance**

Financing Mechanisms				
Items Financed	Type of Financing Needed	Type of Product		
<ul><li>Debtors</li><li>Stock</li><li>Work in Progress</li></ul>	Short term working capital (less than 1 year)	Overdraft		
• Creditors	Short term working capital (Less than 1 year)	Overdraft		
<ul> <li>Vehicles &amp; equipment</li> <li>Plant &amp; machinery</li> <li>Setting up a business/franchise</li> <li>Renovation of premises</li> </ul>	Medium term finance (Typically 1 – 5 years)	<ul> <li>Asset finance</li> <li>Instalment sale</li> <li>Lease</li> <li>Rental</li> <li>Medium term loan</li> </ul>		
Land & buildings	Long-term (Typically 5 – 20 years)	Commercial property finance		

## **Key elements of your submission**

- 1. Business plan
- 2. Regulatory documentation
- 2. Financial projections
- 3. Historical financials
- 4. CVs
- 5. Personal Statement of Assets & Liabilities
- 6. Contracts

### Interpretation of your submission

- Comprehensive business plan highlighting business model, business strategy, financial projections
- Business experience & track record
- Operational, financial & organisational strength
- Acumen & expertise competent & experienced staff
- Your plan must clearly demonstrate:
  - Business product/service relevance to current economic times
  - How much do you need and what will it be used for
  - Affordability

#### Common weaknesses

- Lack of financial information
- Poorly compiled financial information
- Forecasts that bear no resemblance to current financial performance
- Lack of business and/or financial acumen business owners do not know how to read the financials and are often unable to provide any explanations to variances or other issues highlighted
- Poorly capitalised/insolvent businesses
- Lack of financial substance of principals who are often not in a position to offer any contribution towards financing requirements
- Poor credit profile of business and/or business owners

# **Projections**

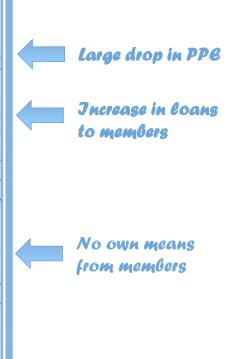
	September	October	*November	*December	January
	Month 1	Month 2	Month 3	Month 4	Month 5
Store Turnover	215 250.00	220 250.00	260 250.00	310 250.00	260 250.00
Operating Expenses					
Rent 100sqm x R50	5 500.00	5 500.00	5 500.00	5 500.00	5 500.00
Electricity and Water - Fixed	3 300.00	3 300.00	3 300.00	3 300.00	3 300.00
Members Salary (3)	21 000.00	21 000.00	21 000.00	21 000.00	23 000.00
Staff Wages (2+1)	3 500.00	3 500.00	3 500.00	3 500.00	3 850.00
Telephone / 3G	450.00	450.00	450.00	450.00	450.00
Fuel	3 000.00	3 000.00	3 000.00	3 000.00	3 000.00
Accounting fees	600.00	600.00	600.00	600.00	700.00
Advertising, Stationary etc	2 000.00	2 000.00	2 000.00	2 000.00	2 000.00
Bank Charges	375.00	375.00	375.00	375.00	375.00
Insurance	850.00	850.00	850.00	850.00	850.00
Loan Repayment	5 000.00	5 000.00	5 000.00	5 000.00	5 000.00
Monthly Stock Purchases for resa	120 750.00	115 750.00	135 750.00	165 750.00	135 750.00
Vat Returns - SARS					
Annual software License Fee	60.00	60.00	60.00	60.00	60.00
Total Expenditure	166 385.00	161 385.00	181 385.00	211 385.00	183 835.00
Gross Profit	48 865.00	58 865.00	78 865.00	98 865.00	76 415.00
Personal Expenses	28 500.00	28 500.00	28 500.00	28 500.00	25 500.00
Net Profit less Personal expenses	20 365.00	30 365.00	50 365.00	70 365.00	50 915.00

# **Projected turnover stressed at 60%**

Cash Flow Projection 2014/2015	A			1000	
	September	October	November	December	January
	Month 1	Month 2	Month 3	Month 4	Month 5
Store Turnover - stressed @ 60%	133 250.00	136 250.00	160 250.00	190 250.00	160 250.00
Operating Expenses					
Rent 100sqm x R50	5 500.00	5 500.00	5 500.00	5 500.00	5 500.00
Electricity and Water - Fixed	3 300.00	3 300.00	3 300.00	3 300.00	3 300.00
Members Salary (3)	21 000.00	21 000.00	21 000.00	21 000.00	23 000.00
Staff Wages (2+1)	3 500.00	3 500.00	3 500.00	3 500.00	3 850.00
Telephone / 3G	450.00	450.00	450.00	450.00	450.00
Fuel	3 000.00	3 000.00	3 000.00	3 000.00	3 000.00
Accounting fees	600.00	600.00	600.00	600.00	700.00
Advertising, Stationary etc	2 000.00	2 000.00	2 000.00	2 000.00	2 000.00
Bank Charges	375.00	375.00	375.00	375.00	375.00
Insurance	850.00	850.00	850.00	850.00	850.00
Loan Repayment	5 000.00	5 000.00	5 000.00	5 000.00	5 000.00
Monthly Stock Purchases for resale	120 750.00	115 750.00	135 750.00	165 750.00	135 750.00
Vat Returns - SARS					
Annual software License Fee	60.00	60.00	60.00	60.00	60.00
Total Expenditure	166 385.00	161 385.00	181 385.00	211 385.00	183 835.00
Gross Profit	-33 135.00	-25 135.00	-21 135.00	-21 135.00	-23 585.00
Personal Expenses	28 500.00	28 500.00	28 500.00	28 500.00	25 500.00
Net Profit less Personal expenses	-61 635.00	-53 635.00	-49 635.00	-49 635.00	-49 085.00

#### **Business Financials**

Figures in Rand	Note(s)	2014	2013
Assets			
Non-Current Assets			
Property, plant and equipment	2	99,258	254,37
Current Assets			
Inventories		256,761	341,49
Loans to members	3	189,948	177,65
Trade and other receivables	4	229,058	322,47
Cash and cash equivalents	5	15,000	15,00
		690,767	856,62
Total Assets		790,025	1,111,00
Equity and Liabilities			
Member's interest and reserves			
Member's contributions		100	10
Retained income		481,015	420,88
		481,115	420,98
Liabilities			
Non-Current Liabilities			
Finance lease obligation		11,679	31,64
Current Liabilities			
Current tax payable		135,732	
Trade and other payables	6	151,304	631,72
Bank overdraft	5	10,195	26,650
		297,231	658,374
Total Liabilities		308,910	690,019
Total Equity and Liabilities		790,025	1,111,00



## The application process

1	2	3	4	5
APPLICATION RECEIVED	APPLICATION IS ASSESSED BY BANK	<ul> <li>ELEMENTS OF ASSESSEMENT</li> <li>Credit checks</li> <li>Financial analysis</li> <li>Business case</li> <li>Security offered</li> <li>Existing bank loans</li> </ul>	VIABILITY OF PROPOSAL	APPLICATION APPROVAL / DECLINE

The journey your application takes . . . .

#### Words of wisdom from the credit team

- Split personal and business finances
- Keep up to date management accounts
- Know your break-even point
- Be realistic in your projections and expectations
- Nothing for nothing what are you risking?
- Know what is happening in your business (S.W.O.T.)
- Chase business, not funding
- Speak to your bank in good times, and bad.

