



the dti

Department:
Trade and Industry
REPUBLIC OF SOUTH AFRICA

APPLICATION INFORMATION GUIDE

ENTERPRISE INVESTMENT PROGRAMME MANUFACTURING INVESTMENT PROGRAMME

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Information Guide for Completing the Manufacturing Investment Programme (MIP) Application Form

Background

This guide has been provided to assist you in completing the application form for the Manufacturing Investment Programme (MIP). For ease of reference, each section in this guide is numbered to correspond with the same section on the MIP application form. Please read this guide in conjunction with your application form and the MIP Manufacturing Guidelines.

Should you experience problems in completing your application form, please contact **the dti** office MIP enquiries on mipappsq@thedti.gov.za

There are four main categories of information you are required to provide:

1. Section A: Applicant general information
2. Section B: Project information
3. Section C: Financial information (including asset list)
4. Section D: Declaration

Foreign investors that wish to apply for the Foreign Investment Grant are required to complete Section E.

You are encouraged to submit your application on-line for ease of tracking the progress of your application. On-line applications can be accessed on www.thedti.gov.za

On-Line Application:- TIPS

- *For an applicant to be able to work on an application form over a number of days, at a minimum, section 1- General and section A-Applicant must be completed and saved (i.e. next clicked).*

SECTION 1: GENERAL INFORMATION ENTERPRISE INVESTMENT PROGRAMME

1.1 Assistance Applied for

New Project – this is a new start-up business; a new investment for an entity that is for example services oriented and adding a production/manufacturing process or facility; or where an existing entity is adding a new product line which is not linked in nature to the original product line and must be a separate income stream and be physically separated from the previous product line.

EXAMPLE

- | |
|--|
| <p>A) <i>You want to start a new business manufacturing health drinks. This is a new start-up business.</i></p> <p>B) <i>You currently have a business involved in servicing and maintaining high pressure pumps for the energy industry. You have seen an opportunity in the market to manufacture valves for pumps. This is a services entity that is starting a new project in manufacturing.</i></p> <p>C) <i>You manufacture packaging for the food industry. You want to extend what your business offers by making your own tools for the packaging you make and tools for other customers. The tooling project is a new product line with a separate income stream from the packaging products.</i></p> |
|--|

A new project can be a 'stand alone' project (new independent project/separate legal entity) or a new production facility owned by an existing entity (this production facility can be housed in a division, branch or profit and loss centre).

Expansion Project – where an existing entity or project wishes to increase production capacity by buying new machinery and equipment to produce generically the same products as it already produces. Note that to qualify as an expansion project, your planned investment costs in qualifying machinery and equipment must be half (50%) the costs of your existing machinery and equipment.

Upgrading Project – this is only for projects in the clothing and textile sector that are looking to expand their production facilities or upgrade their machinery and equipment.

1.2 Total Investment Rand Value

Submit the cost of the productive assets (plant, machinery, equipment, and commercial vehicles) required for the entire investment project for which you are applying for MIP assistance. You will need to specify how much additional investment you are expecting to make each year and the total cost of the project.

1.3 Foreign Investment Grant

You are required to tick this if you are a foreign investor applying for the Foreign Investment Grant (FIG) together with the MIP application.

1.4 List of Additional Information

The additional information should be submitted with the application form.

All expansion; upgrading projects or projects owned by existing entities should submit the latest audited annual financial statements.

See Appendix A for guidance on business plan information required.

On-Line Application: TIPS

- *The list of additional information required, that can be up-loaded with your application is indicated at the end of the on-line application system.*

SECTION A: APPLICANT GENERAL INFORMATION

The details in this section must reflect the details of the entity that owns the project for which MIP support is sought. In the case where the project is within a division, branch or profit centre, the most immediate holding company that owns the project should be the applicant entity.

1 Entity Type

Select the type of entity from the list below:

- Close Corporation
- Pty (Ltd)
- Co-operative
- Trusts

9 Shareholding

Shareholding & Company/Group Structure	Incorp No. / ID No	GOV	RSA%	RACE	GENDER	FOREIGN%	COUNTRY	OTHER BUSINESS
Name of shareholder	Incorporation number. (for entity) or Identity Number (for individual)	Government entity(Tick if "Yes")	If shareholder South African, % ownership that shareholder has in the applicant entity	Race of shareholder if individual	Gender of shareholder if individual	If shareholder foreign, % ownership that shareholder has in the applicant entity	Where shareholder foreign, country of origin of shareholder	Tick if shareholder has other businesses

For shareholders that are involved in other businesses (i.e. where 'other businesses' column is ticked or 'yes' is entered) you are required to give further details in Section A1 on the other businesses they are involved in. They are required to submit details of the name of the enterprise, the address, a description of the business.

On-line Application: **TIPS**

- Please enter each shareholder of the entity on a separate line.
- To enter a shareholder, please select the **'add shareholder'**.
- Once information on the shareholder has been entered, please select the **'add'** to save the information entered.
- To enter additional shareholders you will need to select the **'add shareholder'** again.
- The total shareholding must add to 100%
- Where a shareholder is an entity that is both foreign and locally (RSA) owned, if the majority shareholding of this entity is local (RSA), please reflect the shareholding as RSA and indicate the percentage shareholding this entity owns in the applicant entity.
- To edit any shareholding information that has been entered, select **'edit'**. Remember to save any changes made by selecting **'add'**
- If the shareholder has other business interests, the shareholder is required to complete information on this business, but **not** required to complete the table on the shareholders of that business.

10 Assistance Enjoyed Under the Following Programmes

If your entity has previously received assistance under one of the **dti** incentive programmes, you are required to specify the programme.

Key

Abbreviation	Description
None	Received no previous incentive assistance
SRIDP/RIDP	Regional Industrial Development Programme
SMMDP	Small Medium Manufacturing Development Programme
THS	Tax Holiday Scheme
SMEDP	Small Medium Enterprise Development Programme
PAA (MIDP)	Productive Asset Allowance (Motor Industry Development Programme)
SIP	Strategic Investment Projects
CIS	Co-operative Incentive Scheme

 **On-line Application:** **TIPS**

Please select the programme where you have received the most recent assistance

13 Litigation

If your entity has received any summonses, or legal applications requiring your entity to appear in court, please provide us with details of the dispute (including the parties involved).

14 Broad-Based Black Economic Empowerment

Submit the rating of the applicant entity against the balanced scorecard issued for the Code of Good Practice for Broad-Based Black Economic Empowerment (BB BEE). Applicants with turnover of above R5 m and that have been in operation for more than 12 months, will need to submit a BEE certificate, as evidence of the BB BEE rating as assessed by a BEE Rating Agency. For details of BEE rating agencies in your area, access the Association of BEE Verification Agencies (ABVA) website on www.abva.co.za.

Applicants with turnover of less than R5 m and / or those that have been in operation for less than 12 months are not required to submit a BEE certificate.

BB BEE is measured on core elements stated in the table below. All companies are measured on BEE based on a score system and receive higher points for higher compliance. The Generic Scorecard is for all large enterprises (i.e. enterprises with turnover of above R35m) and the QSE Scorecard is for Exempted Small and Micro

Enterprises (i.e. enterprises with annual turnover of below R5m) and Qualifying Small Enterprises (i.e. enterprises with turnover of between R5m and R35m)

Summary of BB BEE Scorecard and MIP Category

Code	Element	Generic Scorecard	QSE Scorecard*	
		Total Points	Total Points	
A	100	Ownership	23	28
	200	Management Control	11	27
B	300	Employment Equity	18	27
C	400	Skills Development	15	25
D	500	Preferential Procurement	20	25
E	600	Enterprise Development	15	25
F	700	Socio Economic Development	5	25

* Exempted Small and Micro Enterprises (EME) and Qualifying Small Enterprises (QSE)

Performance against the scorecard is evaluated in accordance to the following matrix:

BB BEE Matrix

Contribution Level	Recognition Level
Level One Contributor	≥ 100 points
Level Two Contributor	≥ 85 points but < 100 points
Level Three Contributor	≥ 75 points but < 85 points
Level Four Contributor	≥ 65 points but < 75 points
Level Five Contributor	≥ 55 points but < 65 points
Level Six Contributor	≥ 45 points but < 55 points
Level Seven Contributor	≥ 40 points but < 45 points
Level Eight Contributor	≥ 30 points but < 40 points
Non-Compliant Contributor	< 30 points

Applicants are required to indicate their BEE contribution level on the application form.

SECTION B: PROJECT INFORMATION

Submit details on the project for which funding is sought. This project may be:

- a new 'stand-alone' entity;
- an expansion of an existing entity or project;
- a new production facility owned by an existing entity (this production facility can be housed in a division, branch or profit and loss centre);
- or an upgrading project in an existing textile or clothing production facility.

16 Commencement of Production

- Please provide the date when you expect your production facility to start being operational. This date should not be more than 12 months or less than 3 months from the date of applying for the MIP.
- Projects that have longer lead times than 12 months for procuring machinery, equipment and other assets, must submit evidence from prospective suppliers that lead times are longer than 12 months.

17 Motivation for Grant

You should provide motivation for why you need the grant; the grant will only be approved for projects that need funding and where the grant can make a difference with respect to the project going ahead or not going ahead. It is therefore important to show how the grant will enable the project to proceed.

Projects that have qualifying assets that are above R5 million, as part of their motivation for need of funding, will have to demonstrate that there is insufficient capital for the project (1. and 2. below) or the project requires a grant to meet its Internal Rate of Return (IRR) criteria (3. below) or the grant influences location of the project (4. below):

1. **Cash flows insufficient to support third party debt:** - the project is not able to raise additional funds through debt financing from banks, development finance institutions etc.
2. **Equity capitalization insufficient:** - the entity and its shareholders do not have further cash to invest in the project. The entity will need to provide motivation why it does not have sufficient cash resources and / or why it cannot raise further debt against its balance sheet which could be used to fund the project. Furthermore, shareholders in the entity will need to motivate why they do not have further funds to invest in the entity for utilisation by the project for example by disclosing personal balance sheets for individuals or financial statements for companies.
3. **Impact of the grant on the company's internal investment criteria** Projects can include information setting out its required rates of return for the project

(IRR) and the basis for the calculation. Projects would also need to provide documented evidence (in the form of internal investment policy documents) and/or financials on similar investments in other parts of the world, as proof of its standard internal rate of return requirements.

4. How the grant influences location of the project in favour of RSA

Projects must provide information on the competing locations that they are considering and factors that make locations more attractive than RSA and how the grant would change this.

18 Funding of the Project

Provide details of how the entire project will be financed. This should include all sources of finance, the terms of finance and the amount committed by the financier. You must submit evidence from the stated financiers to confirm their commitment to fund the project and conditions of their funding.

Example

Name of lender/ Financier	Capacity	Terms (months)	Amount/R
TIM cc	Internal Resources	0	1 000 000
Bank A	3 rd Party Funding	48	500 000
DFI B	3 rd Party Funding	60	1 300 000
MIP Grant	Grant		1 200 000
TOTAL			4 000 000

NOTE:

- The list of financiers should reflect all the sources of funding for the project.
- Terms (months) refers to the number of months over which the source of funding will be repaid or settled.
- You will be expected to submit documentation to confirm commitment to fund the project by the stated sources.
- Where shareholders will be making equity contributions to fund the project, please provide proof of funds:
 - For shareholders that are companies/entities: financial statements
 - For shareholders that are individuals : for example, personal balance sheets, letter from banker stating the funds are available
- Where you wish to use the grant as part of your equity contribution in order to get funding from third party financiers such as the bank, you need to provide detail of the financier you intend applying to. If your application for the MIP grant is approved,

you will need to submit documentation to confirm commitment for funding the project from these funders, failing which, the grant approval will be terminated.

On-line Application: TIPS

- Select **'add funders'** to add a list of financiers.
- Once information on a funder has been input, select **'add'** to save the information.
- Select **'add funder'** to add another financier to the list.
- To edit any information already input, select **'edit'** once corrections have been made; select **'add'** to save the information.
- In cases where the source of finance is a grant, you may indicate '0' (zero) for the terms column.

19 Sic of Product

Provide the Standard Industry Classification for the project. Please refer to Annex A1 of the guidelines which lists the eligible SIC codes.

20 Projected Employment

Employees are persons that work at least 40 hours a week for the same employer.

Expansion and Upgrading projects: – submit base year total number of employees, i.e. the actual number of people employed in the financial year before your investment project. This employment figure must then be broken down by race and gender.

All projects – submit projected number of new employees for year 1, 2 and 3.

Table key:

Total	WM	WF	BM	BF	IM	IF	CM	CF	OM/FM	OF/FF
Total no. of employees	White Male	White Female	Black Male	Black Female	Indian Male	Indian Female	Coloured Male	Coloured Female	Other Male/ Foreign Male	Other Female/ Foreign Female

In addition to completing the above table for all employees, also state the number of male and female employees that are disabled as set out in the table below:

DM	DF
Disabled Male	Disabled Female

21 Regulatory Requirements

Please confirm that the project complies with all the applicable legislation in South Africa. If your project does not comply with any regulatory requirement, please specify what regulation it does not comply with and how it contravenes this regulation.

 **On-line Application:** **TIPS**

*Please tick only if your project does **not** comply with any regulatory requirements.*

22 Factory Premises

Site: the total premises used by the project or entity (if the entity is different from the project but is located on the same premises as the project)

Factory: the production facility used for the project

Administration: amount of space used for administration for the project

For each of the above categories of factory premises, you need to provide details of how much space existed in the base year and how much additional space if applicable, was added for each year of the project.

All space should be expressed in square metres.

SECTION C: FINANCIAL INFORMATION

23 Asset List

Example

DESCRIPTION	Base Year (CCYMM)	Additions Year1 (CCYMM)	Additions Year2 (CCYMM)	Additions Year 3 (CCYMM)	Total Additions	DATE PURCHASED (CCYMMDD)	SOURCE: SUPPLIER / LESSOR	IF SOURCE IS CONNECTED PARTY, INDICATE RELATION	NEW / SECOND HAND	DATE TAKEN INTO PRODUCTION
		200806	200906							
Machinery & Equipment										
High speed granulator		553 000			553 000	20080501	Polyplus		New	20080701
Electric Switch Panel		60 630			60 630	20080101	Polyplus		New	20080701
Granulating machine			137 000		137 000		Polyplus		2 nd hand	20080701
Machinery & Equip. TOTAL		613 630	137 000		750 630					
Commercial Vehicles										
Truck			120 000		120 000		VW Midrand		New	20091101
Commercial Vehicles TOTAL			120 000		120 000					
Land & Buildings										
Land & Buildings TOTAL										
Leased Land & Buildings										
Rent		50 000			50 000		Matt Eng. CC	Member of CC		
Leased Land & Buildings TOTAL		50 000			50 000					
TOTAL INVESTMENT		663 630	257 000		970 630					

 **On-line Application: TIPS**

** Please provide a list of all the assets for the project on the Excel sheet available on the on-line application system. Please note that you may not make changes to the format of the Excel sheet and if assets are not submitted in the prescribed format, they will not be accepted.*

** For leased Land & Buildings, only include the rental amount in the first year that the rental agreement is concluded, for example if building is leased in year 2 for R50 000 per annum, only insert R50 000 under column "Additions year 2"*

Notes:

- **Date Purchased:** - the date when your entity paid for an asset in cash or on credit ("bought"); requested a supplier to make / design / provide an asset ("ordered" or "commissioned"); started construction on a building / large asset ("erected"); entered into an agreement for assets to be ordered / bought / delivered / etc.
- **Source(Supplier/Lessor):** Submit the name of the supplier of the asset
- If the source of the asset is a connected party, please indicate the nature of the relation according to the options below:

OPTION	DETAILED DESCRIPTION
TRUST WHERE A BENEFICIARY	Asset sourced from a trust where the applicant is a beneficiary of the trust
TRUST WHERE A RELATIVE IS A BENEFICIARY	Asset sourced from a trust where a relative of the applicant is a beneficiary of the trust
PARTNERSHIP WHERE A MEMBER IS A BENEFICIARY	Asset sourced from a partnership where the applicant is a beneficiary
PARTNERSHIP WHERE A RELATIVE IS A MEMBER	Asset sourced from a partnership where a relative of the applicant is a beneficiary
COMPANY THAT IS PART OF THE SAME GROUP	Asset sourced from a company which belongs to the same group as the applicant
HOLD 20% OR MORE EQUITY SHARE CAPITAL OR VOTING RIGHTS IN A COMPANY	Asset sourced from a company where the applicant holds 20% or more equity or voting rights
MEMBER OF A CC	Asset sourced from a CC where the applicant is a member
RELATIVE IS A MEMBER OF A CC	Asset sourced from a CC where a relative of the applicant is a member
RELATIVE	Asset sourced from a relative

- **Date taken into production:** date when you started using the asset or expect to use the asset

Note on Financials

- All financial forecasts/ projections should exclude VAT
- The descriptions used in the financials apply to companies and close corporations. However, trusts and co-operatives should complete financial statements and fill in information as appropriate for that type of entity.
- The forecasts should be prepared excluding potential grant assistance from **the dti**.

SECTION C1: New Stand Alone Project

- This section must be completed by new start-up projects that are separate legal entities
- Projects below R5 million to submit four (4) year forecasts for the income statement, balance sheet and cash flows
- Projects above R5 million to submit five (5) year forecasts for the income statement, balance sheet and cash flows

SECTION C2: Expansion/Upgrade of an Existing Entity

- This section must be completed by existing entities that are looking to expand their production facilities or textile and clothing entities that have a project to upgrade their production facility
- Submit three (3) year historical figures for income statement, balance sheet and cash flows plus 'year to date' data on the current financial year
- Projects below R5 million to submit four (4) year forecasts for the income statement, balance sheet and cash flows
- Projects above R5 million to submit five (5) year forecasts for the income statement, balance sheet and cash flows
- Please note that projects that are expanding and owned by an existing entity, should input financials of the project in Section C2 and submit financials of the entity that owns the project as a separate attachment.

SECTION C3: New Production Facility Owned by an Existing Entity

- This must be completed by new production facilities that are owned by existing entities.
- Data in this section must be for the **entity that owns the project**.
- Submit three (3) year historical figures for income statement, balance sheet and cash flows plus 'year to date' data on the current financial year, as well as two year forecasts at the entity level (i.e. entity data **consolidated for its divisions and operations, including the project**).
- Projects that fall under this category are **also required to complete C1**, which collects **financials for the project**.

On-line Application:

TIPS

The system will not save financial information until the following balances for each year of the forecast period:

** Per balance sheet: Total Assets = Total Equity and Liabilities*

** Closing Cash and cash equivalents per Cash Flow Statement = Cash and cash equivalents per Balance Sheet*

It is recommended that you use the Excel spreadsheets to complete financial information and once completed copy it into the application system. This will limit excessive time spent on the system getting the financials to balance.

Where you need to input figures, rows are highlighted in light yellow. Where the system performs a simple calculation (for example to calculate the gross margin as Revenue less Direct Operating Costs) rows are not highlighted and are blocked so that you are unable to input figures).

The first row of the financial statements which requires information to be completed is the "year" for each column, for example 2008.

In the "year to date" column the system only allows you to input the year, for example 2009. This will be rectified. In the interim when submitting the business plan information, please state

explicitly the period for which year to date information has been submitted, for example year-to-date information pertains to the 5 months ended 31 March 2008

The application form allows you to fill in projections for 7 years. Please ignore the last two years. Projects with qualifying assets <R5m are only required to complete forecasts for four years and projects with qualifying assets >R5m are only required to complete forecasts for 5 years.

Any negative figures input into the income statement and cash flow statement of the financial statements need to be input as negative amounts, for example “-R50 000”. Regarding the balance sheet, figures with credit balances input under “Equity and Liabilities”, should be input as a positive. Set out below are certain figures which should be input as negative amounts:

Income statement:

Direct operating costs

Indirect operating costs

Depreciation

Tax

Minority interest

Dividends

Balance sheet:

Accumulated depreciation

Cash flow statement:

Capital expenditure

Taxation paid

Debt repaid

Shareholder loans repaid

Dividends

Note that some amounts in the income statement and cash flow statement could either be input as a positive or negative number, for example Net interest (paid) / received in the income statement.

To assist you in completing the financials, set out below is a brief description of each line item of the financial statements.

In the descriptions below some items have been described as calculated by the IT system, however, if you are submitting your application manually, you will be required do the calculation.

Income Statement

Ref		
1	Revenue/Turnover	Gross revenue or turnover arising from sale of goods, the provision of services (e.g. tour guide fees)
2	Direct operating costs	<p>Includes the direct costs attributable to the production of the goods sold by a company. This amount includes the materials cost used in creating the goods along with the direct labour costs used to produce the good. It excludes indirect expenses such as distribution costs and sales force costs. Direct Operating Costs or Cost of Merchandise Sold appears on the income statement and can be deducted from revenue to calculate a company's gross margin.</p> <p>Cost of Merchandise Sold is the costs that go into creating the products that a company sells; therefore, the only costs included in the measure are those that are directly tied to the production of the products. For example, the Cost of Merchandise Sold for an automaker would include the material costs for the parts that go into making the car along with the labour costs used to put the car together. The cost of sending the cars to dealerships and the cost of the labour used to sell the car would be excluded.</p> <p>The accounts included in the Direct Operating Costs calculation will differ from one type of business to another.</p> <p>Direct Operating Costs also include production salaries and wages and factory rental.</p>
3	Gross margin	Calculated by IT system as 1 – 2
4	Indirect operating costs (excluding depreciation)	Includes other costs incurred in operating the business excluding direct operating costs. For example : other salaries and wages, administration costs, research and development, sales commissions
5	EBITDA	Earnings before Interest, Tax, Depreciation and Amortisation, Calculated by IT system as 3 – 4
6	Depreciation	A deduction of part of the cost of an asset in each year of the asset's useful life
7	EBIT	Earnings before interest and tax, Calculated by IT system as 5 - 6
8	Net interest (paid)/received	Interest earned on bank deposits and on loans granted, net of interest paid on overdraft facilities or third party debt
9	PBT	Profit before tax, Calculated by IT system as 7 – 8
10	Income from associates	If business does not have investments in associates, input as 0. The income from an associate is accounted for using the equity method. For definition of associate refer to 34
11	Tax	
12	PAT	Profit after tax, Calculated by IT system as 10 – 11

13	Minority interest	If business does not have subsidiaries in which it owns <100%, input as 0. Where the operation has interests in subsidiaries and the subsidiaries are not wholly owned, non controlling interests in the profit or loss of consolidated subsidiaries are identified
14	Dividends	That portion of company earnings paid to shareholders of the company
15	Retained earnings / (loss)	The earnings for the year that have been retained by the company rather than paid out as a dividend, Calculated by IT system as 13 – 14

Balance sheet

Ref		
16	EQUITY AND LIABILITIES	
17	Capital reserves	Heading, no figures to be input
18	Share capital	Share capital injected in the business
19	Shareholder loan	Loans from shareholders provided to the business
20	Reserves	Cumulative total of annual retained earnings (per 15), Calculated by IT system, Note the calculation is not computed correctly by the IT system for the last year of historical information and the first year of the forecast information. Any difference between the computed amount and actual amount can be included as Share Capital (18) in that year.
21	Equity attributable to the shareholders	Calculated by IT system as 18 + 19 + 20
22	Minority interests	If business does not have subsidiaries in which it owns <100%, input as 0. Non-controlling interests in the net assets of consolidated subsidiaries separately identifiable from the parent's ownership interests in them.
23	Non current and current liabilities	Heading, no figures to be input
24	Total third party interest bearing debt	Total of all third party interest bearing debt
25	Deferred tax liability	
26	Trade payables	Also known as "accounts payable", is an amount owed to a creditor for goods and services received that are directly linked to the trading function of the business.
27	Other payables	Relates to creditors not directly related to the core trading of the business, for example taxes payable, leave pay obligations.
28		Calculated by IT system as 24 + 25 + 26 + 27
29	TOTAL EQUITY AND LIABILITIES	Calculated by IT system as 21 + 22 + 28

Balance sheet (continued)

30	ASSETS	
31	Gross fixed assets	The total cost or revalued amount of all assets owned by the business. Amount to include the assets listed under "C-Assets" of application.
32	Accumulated depreciation	Total accumulated depreciation on the assets input in 31
33	Net fixed assets	Calculated by IT system as 31 – 32
34	Associates and other investments	If business does not have investments in associates, input as 0. An associate is defined as an investment over which the entity exercises significant influence. If the investor holds 20% or more of voting rights in an investment, it is presumed that the investor has significant influence.
35	Intangible assets	Assets that cannot be physically touched, including intellectual property such as copyrights, trademarks, patents or related rights, goodwill and brand value.
36	Deferred tax asset	
37	Other	Gives the applicant an opportunity to include any other asset applicable to the entity that has not been specifically provided for
38		Calculated by IT system as 33 + 34 + 35 + 36 + 37
39	CURRENT ASSETS	
40	Trade receivables	Represents money owed to the operation by customers for goods sold or services rendered, but not yet collected.
41	Other receivables	Any other short-term debtors or receivables owed to the business including staff loans, taxes, vat input
42	Inventory	Merchandise that is purchased and / or produced for eventual sale
43	Cash and cash equivalents	
44		
45	TOTAL ASSETS	
46	Does balance sheet balance?	If 45 = 29, the answer is "yes"

Cash flow statement

Ref		
47	EBITDA	Extracted by IT system from income statement per row 5
48	(Increase)/decrease in working capital	Calculated by IT system as year-on-year changes in working capital. Note working capital represented by (40+41+42-26-27) Note the calculation is not computed correctly by the IT system for the last year of historical information and the first year of the forecast information. Any difference between the computed amount and actual amount can be included as "other items" (51) in that year.
49	Pre-tax cash flow generated from operations	Calculated by IT system as 47 – 48
50	Capital expenditure	Capital expenditure (for example plant & equipment, furniture & fittings, motor vehicles, land & buildings) net of proceeds from disposals of assets
51	Other items	Any other cash flows not provided for
52	Pre-tax cash flow generated	Calculated by IT system as 49 + 50 (a negative amount) + 51
53	Net cash interest (paid) / received	
54	Taxation paid	
55	Cash (out) / inflows from associates	
56	Other investment activities	
57	Cash flows from operations and investments	Calculated by IT system as 52 + 53 + 54 + 55 + 56
58	Debt repaid	
59	Shareholders loans repaid	
60	Total repayments	Calculated by IT system as 58 + 59
61	Cash available before increase in debt	Calculated by IT system as 57 + 60
62	Debt raised	
63	Cash available to shareholders	Calculated by IT system as 61 + 62
64	Dividends	
65	Share capital and shareholder loans raised	
66	Increase/(decrease) in cash and cash equivalents	Calculated by IT system as 63 + 64 + 65
67	Opening: cash and cash equivalents	Input figure as the opening cash balance for the year
68	Closing: cash and cash equivalents	Calculated by IT system as 66 + 67
69	Cash per balance sheet=Cash Flow Statement	If 68 = 43, the answer is "yes"

SECTION D: DOMICILIUM AND RESOLUTION

28 Domicilium

Submit a physical address (not a postbox) where your entity would prefer to receive any legal notice or any other documents that relate to this application.

All applications must be signed by the applicant and dated and all pages of the application form must be signed. Unsigned applications will not be processed. E-applicants (those applying electronically) are required to upload the domicilium page only, sign it and send to **the dti** immediately after submitting the e-application.

29 Resolution of the Board of Directors

This section must be completed as confirmation that the signatory of the application form has been authorised by the Board of Directors to sign all documentation regarding the application. Each director is required to sign as confirmation on this.

On-line Application: TIPS

- Please note that once an on-line application has been submitted, no further changes can be made to the form. Check completed application form thoroughly before submitting.

SECTION E: FOREIGN INVESTMENT GRANT

Please refer to the guidelines document for the list of qualifying and non-qualifying expenditure.

APPENDIX A

Guidance on the Type of Information to be included in the Business Plan

A) OVERVIEW OF THE ENTITY REQUIRING FUNDING

the dti requires summarised information regarding the entity which will undertake the project in order to assess whether the entity is sustainable and viable as this may affect the success of the project.

- Provide a short history and description of the business and include an entity profile and web site (where applicable).
- Briefly describe the strategy of the entity.
- Provide the number of employees.
- Provide the group structure, give a brief description of divisions and indicate in which division the project to be undertaken is located.

B) OVERVIEW OF THE PROJECT REQUIRING FUNDING

1) General description

- Describe the project.
- Give an overview of the manufacturing process.
- Compare the productivity of the project to that of competitors.
- Describe the raw materials used and their availability.
- Provide details of environmental risks to which the project is exposed, whether from its own processes or from its surroundings.

Customers and market

- Provide a general description of the customers and customer segments. Include a breakdown of local and export customers.
- Provide a schedule of the top five (5) customers with the rand value of sales and a description of products.

Suppliers

- Provide a schedule of the top five (5) suppliers detailing names, industry, products supplied. For existing suppliers, provide details of last year's purchases in value and as a percentage of total material input costs/purchases.
- Provide details of concentration of key suppliers by geographic region and industry sector.

Products and services

- Describe the principal products and services that the project offers.

Marketing strategy

- Indicate on what basis does the project compete (quality, price, service, brand, loyalty) and how it compares to the competition.

Assets

- Describe the assets that will be used, their capacity and utilization levels.

2) The Industry and Competitors

- Describe the trends in the industry and any regulatory impact. Describe the key market risks. Describe the external factors impacting on the market.
- Describe how seasonality and cyclical impact on the business.
- Provide a description of the major competitors.

3) Management and Corporate Governance**Entity**

- Provide brief profiles of the board of directors.

Project

- Provide brief profiles of the senior management team. In the profiles please include the following information:
 - experience and length of service; age; qualifications; date of appointment to current position and area of responsibility.

4) SWOT Analyses

List the strengths, weaknesses, opportunities and threats relating to the project.

5) Other financial information (to supplement forecasts provided in Section C)

- Provide key assumptions for the forecasts/projections provided in Section C e.g. exchange rate used.
- Provide a breakdown per year of the revenue and operating profit projected in Section C (for example show breakdown per major product line and/or service or geographic location and in terms of volumes and unit selling price).
- For each year of the Income Statement information:
 - provide a breakdown of direct costs as follows - salaries and wages, rent, other.
 - provide a breakdown of indirect costs as follows - salaries and wages, rent, other.