

Championing Recovery After the Storm



NATIONAL
EMPOWERMENT
FUND

Growing Black Economic Participation



Solidarity
Fund

Unity in action



In July of 2021, South Africa was rocked by violence and looting that swept across Kwa-Zulu Natal and parts of Gauteng. Businesses, both big and small, were damaged or destroyed, supply chains were compromised, jobs lost, access to food and medicine was affected. Despite the shock and fear felt by many South Africans, community members bravely stepped up in unity to defend their neighbourhoods. In many instances, businesses and communities were saved, but the damage was still great. It was clear that help was needed in order to assist in rebuilding.

In response to this crisis, and in an effort to minimise the impact on a country which is already reeling from the effects of the COVID pandemic, the Solidarity Fund Board launched the Humanitarian Crisis Relief Fund (HCRF) whose sole purpose was to respond rapidly to the Humanitarian, Medical and Economic crisis that arose as a consequence of the protests.

SMME businesses form the heart of our economy. They provide jobs, support local supply chains and are the glue that holds communities together. They are often, however, the most severely impacted when economic or social crises occur. As the dust cleared after the looting, many small businesses were damaged and were without insurance or any means to receive loans and assistance from formal sectors.

For this reason, in September last year, the National Empowerment Fund (NEF) and HCRF launched a financial relief programme aimed specifically at supporting small, medium and micro enterprises (SMMEs) in recovering from the devastating effects of social unrest. The R450 million SMME Support Programme aims at restoring business activity in the affected areas, and saving much-needed jobs.

Towards this programme, NEF contributed R308 million in business loan contributions, while the Fund originally contributed R150 million in grant funding. A further R123 million was later approved, due to the need and proven success of the programme.

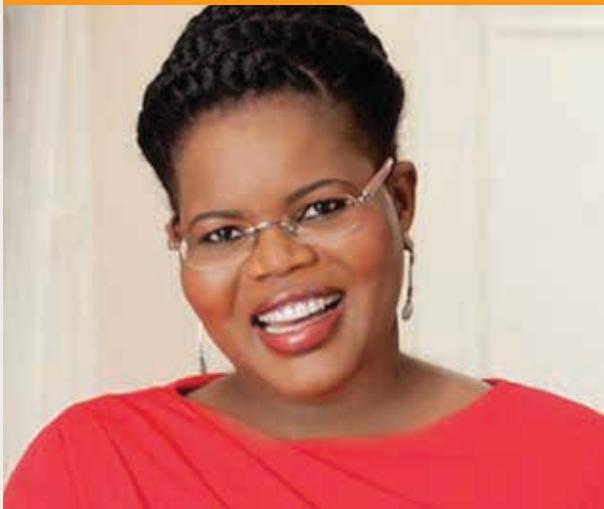
This developmental commitment is a first between the two organisations and to date has supported 140 sites and saved 5 562 jobs.

It has always been the modus operandi of the Solidarity Fund to partner with existing organisations that have the experience and expertise needed to fulfil a project's requirements. The NEF is an important and effective contributor to economic participation through the provision of financial and other support to businesses. By partnering with the NEF, the Fund was confident that this financial aid would reach the businesses that needed it most. And it has, demonstrating once again the strength we have when we step forward in solidarity.

Ms Gloria Tomatoe Serobe

Chairman

Solidarity Fund



The National Empowerment Fund (NEF) was established by an Act of Parliament to grow black economic participation across South Africa. To discharge this historic mandate, the NEF provides financial and non-financial support to black-owned enterprises across key sectors of the economy and promotes a culture of savings and investment among black people countrywide.

In this pursuit, over the years the NEF has entered into enterprise and supplier development partnerships with a range public and private sector entities and has co-funded black entrepreneurs with third-party investors who have committed in excess of R10 billion towards this mandate.

Economic devastation following the wave of unrest

In September 2021 the NEF and the Solidarity Fund's Humanitarian Crisis Relief Fund concluded a funding partnership valued at over R580 million to help the cause of business recovery following the spate of civil unrest in July last year that resulted in the destruction of property and closure of many businesses in Gauteng and KwaZulu Natal. So devastating was the aftermath of the civil unrest that it resulted in damage estimated in excess of R30 billion on GDP, placing more than 150 000 jobs on the line.

The manufacturing and retail sectors were the hardest hit. A total 161 malls in both provinces experienced severe damage to property and stock, as well as damage of 200 shopping centres. Approximately 3000 stores were looted, resulting in stock losses estimated over R1.5 billion. In the wake of the unrest, 1400 ATMs were damaged.

With all these challenges, Government, under the auspices of **the dtic** and along with development financiers such as the Industrial Development Corporation and the NEF, among others, had to be proactive in the patriotic quest to drive business recovery, save jobs and restore the supply of goods and services to communities, while contributing to broader national economic recovery.

Among the entities that have stood at the forefront of this critical national task, is the Solidarity Fund. In accordance with the agreement, R308 million was set aside for a concessionary credit facility commitment by the NEF while the R273 million committed by the Solidarity Fund was earmarked as grants for blending with NEF funding.

Every blade of grass was covered for successful impact

As a responsive organisation, the NEF deployed teams of investment professionals across both Gauteng and KZN in areas as far apart as KwaNongoma, iXopo, uMkhanyakude, Jozini, Umlazi, Newcastle, uMgungundlovu, KwaMashu, Soweto, Alexandra and various others. These teams comprised finance and risk assessment specialists, engineers, legal advisors and others, who were deployed directly to the trouble spots to interact with and assist entrepreneurs whose businesses had been harmed and whose operations had ceased as a result.

The deployment was over a period of several weeks where NEF investment teams engaged different stakeholders including entrepreneurs, local government, property owners and business organisations, having adopted a district municipality approach to ensure that every blade of grass was covered in the affected areas.

So successful has the partnership been that since its establishment, funding has been approved for 140 sites with a combined value of R623 million supporting 5 562 jobs. The partnership has been able to achieve more than its initial commitment through leveraging its partnership with ***the dtic***.

A concerted response by Government

The damage caused by the unrest in both Gauteng and KwaZulu Natal sent tremors across the national economy, necessitating a co-ordinated response by national Government. Through ***the dtic***, Government availed a total R3.85 billion to assist businesses in distress, and those that had to shut their doors.

A total R650 million was allocated by ***the dtic*** for the NEF to come to the rescue of the businesses that were

affected by the unrest. For this purpose, R100 million was allocated from the NEF's own balance sheet.

Inclusive of the partnership with the Solidarity Fund, to date the NEF has approved 205 transactions supporting 145 firms with a combined value of R881 million, supporting 8 013 jobs. Given the considerable demand for financial support among affected businesses, the total number of transactions under consideration by the NEF at the time of publishing this booklet, amounted R245 million with a potential impact 1 200 jobs.

A tribute to patriots who build the nation

This publication is a tribute to the resilience of the entrepreneurs who have committed their lives in the pursuit of sustainable economic growth. Through this publication we attempt to capture and celebrate their entrepreneurial spirit by shining light on their trials and triumphs.

Their commitment to growth is shared by the dynamic leadership and workforce of the Solidarity Fund, an instrument of recovery and growth that has been an invaluable and remarkable partner in championing recovery after the storm.

The NEF acknowledges the visionary leadership that Minister Ebrahim Patel has provided in steering the support for sustainable economic recovery and growth, towards success.

Ms Philisiwe Mthethwa
Chief Executive Officer
National Empowerment Fund



FLM Dobsonville



Turning a disaster into a force for good

A diverse economic community is a happy one, but tensions rise when everyone is selling the same stuff. Also, consumers want the best possible deal, and they will go where their shopping basket is cheapest.

Before last year's violent protests destroyed parts of Gauteng and KwaZulu Natal's economic activity, Mr Ramluckan was planning to drop the FLM brand and open a Spar franchise instead.

He reckoned that Spar could provide him with a larger range of goods to offer to his customers, as well as goods within the price range of the target market.

Then came the July riots, and FLM Dobsonville was not spared. The business was wholly looted.

A rescue plan and a new identity

Shortly after the devastating July riots, the National Empowerment Fund (NEF) and Solidarity Fund's Humanitarian Crisis Relief Fund launched a financial initiative to support small, medium and micro enterprises and drive recovery from the devastation wrought by the unrest.

Mr Ramluckan applied for funding to change his business to a Spar franchise, and the application was approved.

He received a R9.75 million 60-month loan to carry out the repairs and rebranding of the store. Cosmetic changes were required by Spar to bring the store up to their specifications. The most significant change would be reducing the fruit and vegetable offering and increasing the grocery offering so that the tensions with nearby hawkers are alleviated.



An entrepreneur picking up the pieces of his life

Kenneth Siphayi started selling bricks and tiles to his community of Soweto in 1990. As the years went by he expanded his business plan to include a mini shopping complex and an accommodation property business.

He has created 33 permanent jobs with employees drawn from his beloved Pimville. His business interests run the gamut from student accommodation to a wellness centre, wholesale grocery and beverages depot and a supermarket. His wellness centre caters to all members of the community, including massage therapy for pensioners.

During last year's widespread unrest, Mr Siphayi's premises were vandalised. Most of the infrastructure suffered extensive damage and stock was stolen from the supermarket and neither the hardware store nor the beverages depot were spared. Furniture and fittings in the wellness centre and the restaurant were also stolen, as well as the office equipment.

Help is at hand

The National Empowerment Fund (NEF) and Solidarity Fund's Humanitarian Crisis Relief Fund responded to this



Kenneth Siphayi

financial and humanitarian crisis by launching a financial initiative to support small, medium, and micro enterprises in KwaZulu Natal and some parts of Gauteng.

The purpose of this fund was to allow those businesses affected by the riots and looting to recover from the devastation and restore their business activities. Through the funding, much-needed jobs to drive economic recovery and social stability would also be saved.

Mr Siphayi applied for this financial relief and was granted a R6.3 million loan.

Rebuilding his business

Following the riots and subsequent devastation to his business, Mr Siphayi was left with only the income from his student accommodation business and selling off the little bit of stock not taken by the looters.

The loan will allow him to rebuild his broken infrastructure and keep on providing permanent jobs for his 33 employees.

Mr Siphayi's tenants will also be able to do business again and contribute to his bottom line, and to provide for their livelihood.

Madevu Properties



Skin in the property game

For a black woman in South Africa to get her foot on the property ladder is extremely difficult. Zamahlobo Taurine Sabela has done more than that, with both feet firmly planted on the property ladder.

Mrs Sabela has successfully operated Madevu Properties (Pty) Ltd for nine years. Madevu was established for the purposes of participating in the property development and property management industry in South Africa.

The business's focus is on property investments in the retail, office, service station as well as residential property markets. These properties are occupied by tenants on term leases that earn the company lease fees. The business currently owns two properties in Durban's Folweni township.

It is also the only formal commercial node in the township servicing a catchment area of about 30 000 people.

Madevu's retail development serves a large catchment area and makes basic goods and services easily accessible to the communities of Folweni and Umbumbulu.

In August 2021, the National Empowerment Fund Economic Recovery Fund Committee was approached

by Madevu Properties to assist with funding towards recovery of the business after it was affected by the civil unrest which took place in July 2021.

The anchor tenants of the retail development – Boxer Superstores and a Shell Service Station – suffered huge damages. The Madevu Centre was vandalised, damaged, and burnt to such an extent that none of the tenants could operate their businesses.

Reconstructing the lifeline of a community thereafter

The NEF approved approved funding for Madevu to the tune of R8 million, to be split between a 60-month loan and a grant.

The NEF also appointed a Quantity Surveyor to establish the quantum of work done to date and work to be done to rebuild the premises and to verify the costs to ensure there are no cost overruns.

In granting the funding it was also noted that the business is 100% black woman owned and managed in a widely untransformed property industry.

The retail development offers 207 employment opportunities to Black South Africans and SMMEs, with 70% woman and more than 98% of the employees drawn from the Folweni and Umbumbulu regions.

Climbing the ladder once more

Mrs Sabela is a savvy businesswoman, and runs a tight ship.

Her plans post the rebuilding include a wide range of goods and services to the communities of Folweni Township and Umbumbulu. These include groceries, banking Services (5 ATMs in order to deposit and draw money in particular Social Grants), a service station medical service and a fast food restaurant.

For communities who have to travel in excess of 10 kilometres to access these offerings, the rebuilding of the Madevu retail complex is lifechanging.

Ngobese Optical



Against all odds

Pietermaritzburg optometrist Ncedile Ngobese has seen her fair share of setbacks.

While she is a qualified optometrist registered with the HPCSA, her dream has always been to own her own practice. She founded Optical Inc. and then set about living that dream.

Her first attempt at opening a business in 2013 failed to get off the ground due to a lack of clients. She opened a new venture in 2014 at the Greater Edendale Mall and managed to grow the practice.

Her brand grew and she was able to build a strong client base that resulted in repeat business and referrals. Then the Covid-19 lockdown came into effect, and she was closed for two months as her business was not recognised as an essential service.

She persevered and reopened in June 2020, but hassles with the landlords – who increased her rent drastically – forced her to close the business and relocate to the Pietermaritzburg CBD where she reopened Optical Inc in February 2021.

In July last year the country was rocked by protest and riots greatly affected businesses in KZN and Gauteng.

It was a week of fear and violence as shopping malls, warehouses and businesses were looted and some buildings burnt. Businesses that were looted and not burnt had the shop fittings and infrastructure damaged. KwaZulu Natal businesses suffered the brunt of this damage, and Ms Ngobese's shop was not spared.

The shop was significantly damaged and did not have business insurance and Sasria coverage.

Where to go now?

Ms Ngobese approached the newly established SMME Support Programme set up by the National Empowerment Fund (NEF) and Solidarity Fund's Humanitarian Crisis Relief Fund for help.

Her business needed R600 000 to finance fittings, optical equipment, stock and working capital requirements.

Her application for funding was approved on the basis that the business was profitable prior to the unrest; the business is 100% black woman-owned and it employs 100% women with 75% being youth.

The funding was allocated as a loan on a 60-month term and a cash grant.

The future is clear

Although Optical Inc. resumed operations in August last year, the business was not operating at full capacity because they did not have equipment and had to refer patients to their local competitors.

There was also not a variety of frames on offer and patients had to choose the frame they wanted from an online catalogue and orders were only done when a deposit had been paid.

With the funding, Ms Ngobese and her three fulltime employees and two part-time employees can get back to the business of providing optimal eye care to their patients.

KaMashobane Holdings



Debonairs Pizza soon to provide convenience again to loyal customers

The protest and riots which commenced on 9 July 2021 and lasted about a week affected businesses in Kwa-Zulu Natal (KZN) and Gauteng Provinces. The most amount of damage and violence was in KZN.

Famous Brands is a franchisor to various brands of fast-food restaurants in South Africa including Debonairs Pizza. The total number of stores that have been damaged and rendered non-operational is 99. The brands affected include Debonairs Pizza, Steers, Wimpy and Fish Away. One of their biggest Logistics facilities, distribution centre in Westmead, KZN was also damaged and was non-operational but the rebuilding has started.

KaMashobane Holdings is 100% black youth-owned and managed by Mr Mzwandile Goodman Khumalo. Mr Khumalo was approved as a franchisee by Famous Brands in 2016. The company operates 2 Debonairs branches in Osizweni and Madadeni township, both in Newcastle. The business has been successfully operating for the past 4 years and has had to stop all operations due to the damage that was caused by the unrests.

Mr Mzwandile Khumalo is the sole shareholder and a qualified Pharmacist. He holds a B. Pharmacy degree from The University of KwaZulu Natal (UKZN) and Post graduate Primary care Drug Therapy qualification from University of North West (UNW). He opened Theku Plaza and Eyethu Mall Debonairs Pizza between 20117 and 2019 respectively, both these businesses were affected and are currently closed and seeking Recovery Relief Funding.

Impact of The Riots

Eyethu Mall was looted and vandalised and the Debonairs Pizza outlet suffered damages. The business has 25 employees who stood to lose their jobs due to the riots. The loss suffered by the business include looting of kitchen, office and point of sale, stock estimated at R1.4 million in order to resuscitate the business to full operations. The estimated loss excludes lost income due to interruption of business operations.

Purpose of the funding

The required capital injection of R2.8 million will result in the resuscitation and reopening of the business, which will lead to financial gains and growth of the business, retaining 6 permanent employees. KaMashobane Holdings will be able to meet commercial obligations.

Economic Relief Fund Rationale:

KaMashobane employs 42 permanent staff members for both branches of which 88% are youth and 70% are female, all drawn from the surrounding townships. Full salaries were paid in July however, for August, the employees were encouraged to engage the UIF as all employees are registered and up to date.

Approval of funding to the value of R2.8 million by the Economic Distress Fund has been granted on the following terms:

- 100% loan funding at 0% interest rate
- 12 months moratorium
- 60 months term loan
- Any balance remaining after operations have been restored, must not be disbursed but the loan amount is reduced to actual funds expanded as relief funds
- Cross guarantees across all related entities

Khayelihle funeral services



Bringing hope to clients and bereaved families.

Khayelihle funeral services is a 100% black-owned and managed business which has grown from strength to strength, resulting in the establishment of nine branches since its inception 17 years ago. The funeral home whose slogan is “It’s a friend that walks in when everybody walks out of your life”, prides itself on being more than just a business, rather it is a place that restores hope among clients and bereaved families.

Having extensive knowledge as an insurance broker, Khayelihle funeral services business owner, Mr Muzi Mkhize, got the inspiration to start his own company that would bring dignity, comfort and support to bereaved families residing in Pietermaritzburg and neighbouring towns.

Over the years the company has had numerous recommendations from word-of-mouth advertising shared by satisfied community members and clients.

This has led to the business achieving a stable income with revenue mainly generated from selling of burial and tombstone packages. A portion of their sales are generated from cash customers while Khayelihle funeral services is in the process of obtaining a Financial Services Provider (FSP) license, which would enable them to provide comprehensive financial services to clients. Most of their funeral packages are reasonably priced and caters for the demographics of the communities they serve. Khayelihle has links with various insurance companies that supply its members with funeral policies and receives commission for referrals.

Impact of the riots

3 out of the 9 branches of Khayelihle funeral services, were looted in Mpophomeni, Hammersdale and Edendale townships, in Pietermaritzburg, this brought devastation to Mkhize as he took over a month before he could go and assess the extent of damage.

43 staff members stood to lose their jobs due to the riots that left destruction in its wake. Workers could not provide for their families for months on end for necessities such as food, kid’s school fees, basic services and shelter. The triumph came when Mkhize reached out to the funder with a soul for assistance.

Economic Recovery Fund

Khayelihle funeral services approached the National Empowerment Fund (NEF) for R1.5 million to purchase furniture and for working capital. Most of the furniture was damaged during the looting. There has been extensive damage to these stores rendering them non-operational until funding was available to restore them. To support the company in their recovery process the payment terms are at 0% interest with loan repayments done over 48 monthly instalments.

43 employees will be retained, who are all from the surrounding communities. The business is part of a communal ecosystem of black-owned enterprises leading to sustainable businesses and interdependence for the good of the community.

Manuglo Diepkloof Spar



Food Lovers changes to Spar to provide wider product offering to community

Manuglo operates Spar Diepkloof which is a 100% black owned company established by Mr. Vijay Ramluckan who has been in retail since 2004. Having been involved with the Food Lovers Market brand since 2010, he opened his first Fruit and Veg City in Richards Bay. In 2012 he was presented with the opportunity to fully own and operate his first store, the Food Lovers Market Diepkloof and in 2017 he expanded his interest in the brand through the acquisition of Food Lovers Market Dobsonville funded by NEF, and also owns a Sasol service station in Ruimsig, Johannesburg.

The previous Food Lovers Market outlet in Diepkloof had started losing market. The business sought to to rebrand into a Spar Supermarket within the centre as part of its turnaround strategy.

Impact of the riots

The business was negatively affected by the COVID-19 lockdown restrictions and the riots even though it had begun to lose market share prior the pandemic.

Manuglo needed to replace equipment, fund stock, working capital and rebranding into a Spar Supermarket from the previous Food Lovers Market.

Once the store restores operations, 63 historically black employees will maintain their jobs through financial support from the NEF and Solidarity Fund.

Economic Recovery Fund

Manuglo requires working capital to finance losses partly brought on by decreased demand due to the economic downturn, to replace equipment and stock destroyed by the July riots and to implement a turnaround strategy to reclaim lost market share by rebranding to a Spar Supermarket. R8 million was sought from the NEF of which R4.3 million will replace equipment; stock, working capital and signage and rebranding.

Vavi Wimpy



Recreating family memories after a terrifying week of uncertainty

Vavi Type operates a Wimpy restaurant located in Empangeni, Kwa-Zulu Natal (KZN), in the Sanlam Centre shopping complex. The franchise is owned by South African Entrepreneur, Mr Ravi Kumar Singh (53), who is actively involved as Managing Director and is assisted by two women junior restaurant managers and one senior manager.

Wimpy Empangeni was established in 2011 and has 13 employees, all of whom are black. Ten of the employees are women. The Wimpy store was affected during the looting and riots that took place in Gauteng and KZN, as protesters destroyed furniture and equipment during the unrests.

Impact of the riots

The country was gripped by fear and uncertainty, as citizens had to endure a week of anarchy and violence as shopping malls, warehouses and businesses were looted and some buildings burnt during the July 2021 riots. Businesses that were looted and not burnt had their shop fittings and infrastructure damaged. The most amount of damage and violence has been in KZN.

On the 12th of July 2021 at around 08h30 the restaurant received a call from Centre Management that the situation was becoming volatile. Management took a decision to close the restaurant. Soon after, all stores in the mall also closed their doors. The Mall was totally looted throughout the rest of the day and night of 12th of July. Looters had broken into the mall and broken through the glass doors and windows of the restaurant, destroyed and looted stock, cash registers, tables, chairs and computers to the value of R900 000.00. The structure and store front also suffered some damage. The armed response was unable to help.

The business struggled to cover overheads, a situation that had been made worse by the pandemic lockdowns. Wimpy Empangeni applied for funding of R1.5 million to purchase equipment and a working capital facility to cover operating costs.

Economic Recovery Fund

- 50% (R750 000) of funding was approved as a grant from the Solidarity Fund to avoid putting a large debt burden on the food retail business.
- NEF ERF funding makes up 50% (R750 000) loan funding at 0% interest with a 12-month moratorium
- Working capital will cover the shortfall in operational expenses.

AM Builders & Hardware Supplies



Marrianhill township community glad to have DIY store restored

JD Corp operates a hardware store called AM Builders & Hardware Supplies based in the Marrianhill township in Pinetown, Kwa-Zulu Natal (KZN). The store sells household hardware for home improvement including building materials, plumbing, electrical supplies and paint. The company was founded in 2017 by two brothers Muhammad and Dawood Dhooma who come from a family of hardware store operators. The two brothers have equal shareholding in the business. They are both operationally involved in the capacity of General Manager – Operations and General Manager – Sales, respectively. They also collectively drive the strategic direction of the business. This is a 100% black youth-owned and managed entity that employs 40 fulltime staff members and 40 casual employees. All the employees are black and are from the local community of Marrianhill.

Impact of the riots

The July 2021 week-long riots also affected AM Builders & Hardware Supplies, leaving damage to inventory, property and vehicles amounting to R15 million. That

week saw shopping malls, warehouses and businesses being looted and some buildings burnt.

AM Hardware was not spared the impact of the looting. The following are some of the items that were lost during the looting:

- Shelving and racking
- Shop fittings
- Computers and other IT systems
- Store furniture
- Stock
- 2 delivery vehicles burned
- Forklift

The estimated loss excludes losses due to interruption of business operations which continued as the company was non-operational for a period. Unfortunately, the business did not have an insurance cover at all. It will be an undertaking for the business obtain comprehensive insurance with SASRIA within 3 months of reopening.

Economic Recovery Fund

The business approached the NEF for loan funding of R15 million.

PEDROS UMLAZI



Growing flame-grilled chicken restaurant back in business

New kid on the block, Pedros, is a welcome addition to the flamed grilled chicken franchise industry, opened its first store in Port Shepstone, in September 2018. To date, the company has 54 stores in total, majority based in KZN (38), Gauteng (13) and Western Cape 3. The company generally caters for consumers within the LSM range of 3 to 8, who love chicken and are looking for a healthy, quick, wholesome meal that that is affordable. Most of these key customers are young professionals and families. Pedros' main competitor is Nandos.

The team is led by Moosa Bux as Operations Director and CEO, after having been in the retail sector for over 10 years and has a BCom Economics qualification from the University of Johannesburg and a Master of Business Administration (MBA) from the Gordon Institute of Business Science.

Cost of setting up a franchise

For aspiring franchisees, the cost of setting up a Pedros store ranges from approximately R1.3 million to R1.6 million depending on various factors such as the condition of the premises, landlord contribution, facilities and fixtures in place, size of the store and electrical supply.

A Drive Thru store costs from roughly R2.5 million excluding VAT.

Impact of the riots

Out of the 54 stores, nine were looted. Seven of the looted stores were in KZN, whilst two were in Gauteng.

One of the looted stores located at Unit 12B, Ralmar Park, Redhill, suffered damages to property and loss of stock to the value R7.9 million with 84 employees facing unemployment as a result of the July 2021 unrests. The store has 89 employees.

Purpose of funding:

The business applied for funding to the value of R9.7 million to buy stock, furniture, fittings, and for working capital. There has been extensive damage to these stores.

- 23 employees will be retained, and all are owned by South Africans from surrounding communities.
- The team has emphasised the need to source services, equipment and other related products from black owned businesses as they rebuild the businesses.

Economic Recovery Fund

Pedros will be supported as follows:

- R1.5 million drawn for the Economic Recovery fund as a senior loan
- Solidarity grant of R300 000
- 100% loan funding at 0% interest rate
- 12 months moratorium
- 60 months term loan
- Cession of SASRIA and other Insurance pay-out claim for each of the above entities
- Any balance remaining after operations have been restored, must not be disbursed but the loan amount is reduced to actual funds expanded as relief funds.

Brazen Alger Railway Logistics



Rail logistics company back on track through Relief funding

Brazen Alger is a black owned and managed company that operates in the railway logistics sector responsible for transporting coal through rail to Eskom power stations, including Majuba and Tutuka, and to Richards Bay Coal Terminal for the export market. The company operates a railway siding which is situated on the boarder of Gauteng and Mpumalanga in the Delmas Coal Basin.

The company services the road to rail migration for the transportation of coal. An overview of the coal industry shows that this commodity has consistently been one of the biggest contributors to mining revenue in South Africa. There is growing export demand from Southeast Asia and India.

It was evident through the research that the coal industry will still be dominant in the country even with the addition of independent power producers and renewable energy to the grid.

Brazen Alger is responsible for moving an average of 3.6 million tons of coal a year on the railway line.

The company has 27 employees comprising 40% black women. The company prioritizes expenditure on black-owned suppliers, including but not limited to:

- transportation of employees;
- diesel supply
- yellow equipment (biggest input cost)

Impact of the riots

The rioters invaded the railway siding, stole 12 000 tons of coal that was on the floor ready for loading and further went on to strip 6km of railway lines which then meant that the client could not have incoming and outgoing trains, which inflicted a direct impact on their revenues. Other items that were looted include the following company property:

- Office furniture, servers and security system, Computers
- Vehicles, fuel stock
- 10 800 tons of coal stockpile valued at R350 per ton
- 6 kilometers of railway lines
- 12 000-liter tank

Funding requirement of R15million includes the construction of the 6km railway line that was looted.

Economic Recovery Fund

Brazen Alger is a 100% black owned and managed entity which operates in a widely untransformed industry as a supplier of coal to power utility Eskom and for exports.

Funding enabled recovery of Township based businesses especially those in a township-based business in an impoverished area.

The NEF will inject the following facilities:

- a. R10 million from **the dtic** Economic Recovery Fund at 0% interest, amortized over 5 years with a 12-month interest and capital moratorium.
- b. R5 million grant will be drawn from the Solidarity Fund.



The Chickery

Rescuing a 40-year-old company

Just over 40 years ago, Mrs Badsha started selling chicken at a stall in Warwick Avenue, Durban. This little stall grew into The Chickery, a retail outlet specialising in fresh and frozen whole poultry. Expansion resulted in the retail business being sold and a wholesale company formed.

At the time the chicken distribution industry was dominated by a few national companies, but an opportunity existed for a newcomer who could deliver a product of equal quality but with the marketing advantage of close personal service and this is where Chickery stepped up and filled a gaping void.

The market was extended to cover the North Coast up to Empangeni, and south to Margate and Port Shepstone, as well as inland to Pietermaritzburg and Newcastle.

Factory premises were further increased to cope with the expansion. Bigger cold rooms and chiller rooms were established to ensure that supplies would always be available for customers. Staff members have increased to 35 from an initial five, and computerisation has replaced the original manual system of accounting stock control.

But on July 11 last year this success story fell victim to widespread looting and unrest in Durban. The Chickery lost almost everything – millions of rands worth of stock and equipment were stolen and the premises gutted by fire. The business was in dire straits and could only continue operations at 50% of their previous capacity.

Hope from the ashes:

Shortly after the devastating riots of July last year, the National Empowerment Fund (NEF) and Solidarity Fund's Humanitarian Crisis Relief Fund launched a financial initiative to support small, medium and micro enterprises recovering from the devastating effects of riots and unrests in KwaZulu Natal and some parts of Gauteng. A R450 million SMME Support Programme invited affected business to apply for relief.

The Chickery applied and met the criteria for financial relief from the programme.

The Chickery rescue plan:

A loan and non-repayable grant structure was approved for the company. It is a R20 million rescue package which will allow the company to recover to pre-unrest performance. The bulk of the money is structured as a loan, which is repayable over 60 months. The company will again employ 35 people permanently.

Chickery's continued success, thanks to this rescue package, will impact not only their staff but the community as well, as they employ people from the surrounding communities. 29% of the employees are women and 20% are youth.

Sourcing services, material, refrigeration and related products will be done from black-owned businesses. Chickery plans to rebuild the gutted premises and expand their refrigeration capacity to meet the needs of their customers.

Texas Trucking



Trucking Company back on the road through relief funding

Texas Trucking is a 100% black-owned and managed business which operates in the logistics sector, servicing shipping and manufacturing industries. This includes the transportation of containers, specialised cargo, abnormal cargo storage, unpacking, repacking and delivery of all break bulk cargo nationwide. The corporate clients serviced include Lignotech South Africa, DSV, Blue Strata, DHL and various other clearing and forwarding agents and blue-chip companies.

The business operates out of two sites that are based in Cato Manor, eThekweni, Kwa-Zulu Natal and is head officed in Congella. All three business owners of the Gounder family, are actively involved in the day-to-day running of the business.

Texas Trucking employs 128 full time employees. A total of 15 jobs will be created during the refurbishment stage.

Impact of The Riots

2 sites were looted and vandalised during the July 2021 riots in KZN, the company had several items burnt and damaged including:

- Destroyed and damaged trucks and trailers
- Burnt trucks
- Fuel
- Furniture and fittings
- Civil work
- Computers and other IT systems

The company has comprehensive insurance (Bryte) which includes SASRIA Insurance. The total estimated

damage for the vehicles, infrastructure and fittings is at R18 million. The business also needs to replace fuel of up to R4.1 million and plug employee costs for a period of 2 months.

Purpose of the funding

Texas Trucking approached the NEF for a R25million capital injection to resuscitate the business, replace destroyed and damaged trucks and trailers. The funding will also be used for the refurbishment of office furniture and fittings, civil work from structural damage, the reinstallation of computers and other IT systems to bring the business back on track.

Like numerous companies directly or indirectly impacted by the July 2021 riots that have approached the NEF through its partnership with the Solidarity Humanitarian Relief Fund each business must meet the commercial obligations to existing financiers and the NEF.

Economic Relief Fund Rationale:

The Economic Relief Fund is structured under the following terms:

- NEF Senior Loan Facility of R2 million at prime
- 2 months moratorium on interest and capital.
- Solidarity Fund Grant of R3 million
- ERF Senior Loan Facility of R20 million at 0% interest with a facility term of 60 months
- 30% of **the dtic** Economic Recovery Funds to be converted to a grant upon retention and/or addition of employees
- Moratorium – 12 months moratorium on interest and capital.

Sugar Creek Trading Propco



Relief funding extends a hand to restore property holding company

Sugar Creek Trading is a property holding company that was specially created to acquire and develop commercial and industrial properties in South Africa. The company has been in existence for 10 years and is owned by Mr Bafana Dube a seasoned entrepreneur who is hands-on on the daily operations of the business.

Bafana Dube was born in Meadowlands, Soweto. His entrepreneurial spirit was ignited when he was in high school where he would fix electrical appliances and sell steel wool to his local community to generate pocket money. Upon completing his schooling, he studied Electrical Engineering at Technikon Natal. He trained as a Technician Engineer with Durban Electricity before joining a Consulting Engineering firm in 1993 as an Electrical Distribution and Protection Technician Engineer.

The property that was affected is in 127 Wiltshire Road, Pinetown and it was leased to Tamias Three Trading 278 CC t/a 3 Core Electrical. The property was damaged and burnt down during the civil unrest that took place between 07 July 2021 and 16 July 2021.

Impact of The Riots

With the recent riots that took place in Kwa-Zulu Natal (KZN) in early July 2021, the industrial warehouse was severely affected and sustained damages due to fire and vandalism. Structural and property damage is estimated at R9.3 million.

Purpose of the funding

Sugar Creek Trading has approached the NEF to request funding for capital expenditure to repair its property due to it being affected by looting during the unrest in KZN. The Facility will be used to recapitalize the business for the purpose of restoration of its immovable property. R9 million over 60 months repayment term was approved.



Saantha Naidu Group (SNG) was formed 25 years ago as a property investment company that owns commercial and residential property developments in Kwa-Zulu Natal (KZN). The SNG Group through Dandelton Investments (Pty) Ltd has approached the NEF to source economic relief funding totalling R43.7 million for the purposes of rebuilding their property that was looted, vandalized and damaged during the riots.

Mr. Naidu hails from a family of entrepreneurs and at a very young age he started working in the family business. Thereafter he entered the financial services sector as a financial advisor for 25 years, where he gained vast exposure and experience in various sectors of the economy. He developed an eye for property investments where he focused on identifying properties with underlying value and substantial growth potential. He is the founding member and CEO of Saantha Naidu Group.

The company was established in 1993 and forms part of the Saantha Naidu Group which is a property-owning company specializing in the acquisition of property, property administrators and development. The company owns a total of 7 land properties earmarked for future developments across Durban and 5 commercial properties listed below;

- Mercury House: Office Block
- Nuffield Parkade: Mixed use development and Parkade
- Pinecity Centre: Shopping Centre
- *Bearingman Springfield Park: Industrial Property
- Devonshire Parkade: Parkade

The management company for the group is Sky Administration which employs over 100 people. The company has a team of very experienced property professionals, overseeing the day-to-day running of

properties which includes, but is not limited to leasing, a full administration function including credit control, budgeting and facilitating all maintenance related functions. The Saantha Naidu Group has extensive experience in property development and have over the years developed a number of hotels, student accommodation facilities, office and residential buildings, all of which are still owned and managed within the organisation. Their developments include the coastlands group of hotels which offer luxury and semi-luxury accommodation.

Impact of the riots

With the recent riots that took place in KZN early July 2021, the Bearingman Springfield Park commercial/ industrial property was severely damaged due to the stores being looted and vandalism. Part of the property was burnt but the fire did not extend to the rest of building. Estimation indicate approximately 75% of the building damages as extensive. The evidence of the looting and damages are as follows;

Purpose of the funding

Saantha Naidu Group (SNG) approached the NEF for assistance to replace the fixtures and fittings, equipment and stock losses suffered by the business during the July civil unrests as well as to have enough working capital to resuscitate the business to full capacity at a cost of R43.7 million.

Economic Distress Relief Fund

Funding of R43.7 was approved as follows:

ERF Loan – R10 000 000.00

- 0% interest and 12-months moratorium on capital
- Capital to be repaid over 12 months

NEF Loan – R18 768 634.00

- 0% interest and 12 months moratorium on capital
- Capital to be repaid over 48 months
- Attract interest at prime rate (7.5%)

Critical Infrastructure Reconstruction Program (CIRP) grant of R13 000 000.00

Solidarity Fund grant of R2 000 000.00



The PTY Guy back in business through ERF

The PTY Guy is a consultancy business with offices in Pietermaritzburg, Kwa-Zulu Natal (KZN). The business provides accounting services, including sale of accounting software, CIPC registration, tax and consultancy and independent review of financial statements.

The business has registered over 1 000 companies since its establishment, they have assisted more than 480 companies with B-BBEE Certificates/verification. KBM Consulting is currently, and assisting SEDA clients from selected branches nationwide with company registration. One of the main services provided by KBM Consulting is assisting schools with the implementation of financial systems. This is done by installing accounting software to be used by their financial clerk for capturing day to day transactions. This is a very important service to schools as it helps to digitize their financial records as opposed to having a completely paper-based financial day-to-day record-keeping system.

Co-founders, Mr Siyabonga Mpanza and Ms Bongiwe Mpanza each hold a B.com (accounting) degree from the University of KwaZulu Natal. He has worked for several companies as an accountant, account manager. He worked for PWC, Rakesh Sign Accountant, LMD Africa Chartered Accountants before starting The PTY Guy. Ms Mpanza works as a business accountant for The PTY Guy and is a 50% shareholder and co-founder of the company. She also holds a B.com accounting degree from UKZN and has worked for Deloitte & Touche.

Impact of the riots

KBM Consulting (Pty) Ltd was vandalized and looted on the 12th of July 2021 due to unrest that took place in parts of Gauteng and KwaZulu Natal. The business lost computers, printers and trading stock that was in the shop; several furniture items were also looted including office chairs software items.

The store closed since after the unrest vandalism on 12 July 2021.

Purpose of the funding

KBM Consulting approached the NEF for economic relief funding to replace stolen and or damaged equipment, (ICT Infrastructure), furniture and fittings, working capital and set-up costs of R2.3 million.

Economic Distress Relief Fund Rationale

- The business was profitable prior to the unrests,
- The business is 100% black-owned, with 50% black woman ownership
- The business is set to retain 8 permanent jobs once they re-open.
- 50% of the required funding be sourced from the Solidarity Fund to allow the business ability.

NEF ERF Loan Facility of R3 million and Solidarity Fund portion grant of R3 million to stabilise.



Royal Gifting Shop

Royal Tobacconist opened its first store at the Workshop Shopping Centre in Durban, Kwa-Zulu Natal (KZN) in 1986. Dubbed the “Workshop store”, the outlet stocks gifts, high quality smoker’s requisites and offers engraving service and convenience items. The NEF does not support the financing of tobacco, liquor, and gambling services; thus, the condition of the relief funding disqualifies Royal Tobacconist from stocking any tobacco products.

The store owner and manager, Ms. Disha Jeena, a chartered accountant by profession, joined the company and initiated an expansion process into other centres.

Impact of The Riots

Royal Tobacconist warehouses and businesses were looted, and some buildings burnt during the violent July 2021 unrests.

The looting affected most of the economic areas in Durban, with some of the worst impacted areas such Davenport, Old Railway station and Umgeni, being the

location of Royal Tobacconist’s affected three stores. The company’s stores were looted with inventory and equipment stolen and property damaged during the weeklong unrest.

Unfortunately, the damage suffered has resulted in the business halting operations for three of their affected stores. The company sought funding to accelerate the renovation and restoration of the affected stores and working capital to resume trading.

Purpose of the funding

The required capital injection will result in the resuscitation of the businesses, that will lead to financial recovery and growth of the business. Each business will be able to meet commercial obligations to the existing financiers and the NEF.

The business is insured with SASRIA with Ulwandle Insurance Brokers and made a claim for R1.7 million for stock, fixtures, fittings, electronic and equipment, glass and general repairs.

Royal Tobacconist required funds to rebuild 3 branches (3 out of 5) of its retail business which specialises in smokers’ accessories, cigars, house blend tobaccos, executive games, pub accessories, gift items, engraving service, confectionary items, watches, amongst others, which were affected during the riots and protests in KwaZulu-Natal.

Economic Relief Fund Rationale:

The 5 outlets owned by Royal Tobacconist employ 15 people, 60% being black women. All employees are drawn from surrounding townships. During the hard lockdown period which commenced in March of 2020 and the subsequent ban on tobacco products, the client approached the UIF and was granted the TERS funding.

In order to assist the business to restore their operations and salvage 15 jobs, the NEF Economic Development Fund of R3 million is granted on the following conditions:

- 100% loan funding at 0% interest
- 12-month moratorium
- 60-month term loan,
- Cession of SASRIA pay-out claim for Royal Tobacconist (Pty) Ltd.
- 30% convertible into a grant after 1 year of operation subject to the business maintaining staff levels.

Crown Supermarket



Crown Supermarket to be restored to glory with economic relief funding

Pink Rose Investments operates a self-service grocery store called Crown Supermarket. The store is based in the Marriahill township in Pinetown, KZN, and offers a wide variety of food, beverages, personal care and other household products. The store was founded in 2019 by Mr. Zakaria Dhooma (age 34) after identifying the need for an affordable grocery store in the Marriahill township. The company has seen tremendous growth since inception in 2019.

This is a 100% black-owned and managed entity that employs 15 fulltime employees. All the employees are black and are from the local community of Marriahill. Mr Dhooma is operationally involved in the business on a daily basis.

Impact of The Riots

The recent protest and riots affected businesses in KZN and Gauteng Provinces.

Crown Supermarket is one of the businesses that was not spared the devastation of the looting. The following are some of the items that were lost during the looting:

- Shelving and racking
- Shop fittings

- Computers and other IT systems
- Store furniture
- Stock

The business suffered an estimated loss at R5 million. The estimated loss excludes losses due to interruption of business operations. Unfortunately, the business did not have an insurance cover. It was an undertaking for the business to obtain comprehensive insurance with SASRIA within 3 months of reopening.

Purpose of the funding

The requested funding of R3 million was required for store renovations, saving 15 permanent jobs, restocking inventory, paying salaries and rent for 3 months.

Economic Relief Fund Rationale:

The ERF Committee approved relief funds amounting to R3 413 200 on the following conditions;

- R1 706 600 from *the dtic* Economic Recovery Fund at 0% interest
- 12-month interest and capital moratorium on the loan facility
- 60-month term loan
- R1 706 600 from the Solidarity Fund Grant

Univission



Funding ensures job security for factory workers

Relief funding from the National Empowerment Fund (NEF), in partnership with the Solidarity Fund's Humanitarian Crisis Relief Fund, has saved 28 permanent jobs at a factory in Pinetown, KwaZulu-Natal.

The factory, Univission Technology, was one of many affected by the civil unrest across KwaZulu-Natal and Gauteng during July 2021. Funding of R10 million was provided to Univission to replace a damaged extruder machine, replace stock and cover operational costs.

Univission, which opened its doors in 2007, manufactures pelletised, waterproofing sheets and municipal plastics from PVC resin. The pellets are used for shoe soles and PVC pipes and cables. Three extruder machines are used to make the various products.

The company sells its products to 27 shoe companies, hardware stores and plastic manufacturers across the country, including H Mart, Passion Footwear, Bee Soft and Robach Shoe Components. Waterproofing sheets, pipes and cables are sold to a few hardware stores and

contractors, including Classic Components, Shaluzza Plastics, Eagle Hardware and Waseem King Williams Town.

The 3 000m² Pinetown factory and storage facility is owned and managed by entrepreneur Muhammad Afzal and the staff complement is 100% black.

Impact of July 2021 unrest

Following the riots that broke out on 9 July 2021, shocking the country as factories, warehouses and various business were looted and some went up in flames, Univission battled to meet their service obligations.

One of the extruder machines, a 40mm-110mm production line, was damaged when protesters broke into the factory on 12 July last 2021. The machine, valued at R8.2 million, was unfortunately not insured. In addition, some electric cables and windows were also damaged.

Because Univission struggled to service orders, there was a knock-on effect on the company's cashflows and ability to cover overheads.

Relief funding

The cash injection from the NEF allowed the company to repair the machine, a major task since the various parts had to be sourced from a number of Asian countries, including China and Japan. Local equipment supplier and distributor Spellgroup, who had sold Univission the machine, was able to help.

The NEF evaluated Univission's potential in awarding the relief funding, stating the company was strong and had the potential to restore healthy profit margins. Prior to the Covid-19 pandemic the company's turnover increased by an average 10% between 2019 and 2020.

R7 million of the loan was sourced from the Department of Trade, Industry and Competition's Economic Recovery Fund at 0% interest over 60 months with a 12-month moratorium and R3 million was a grant from the Solidarity Fund to provide more relief to cashflows.

In addition, several existing clients have signed new agreements, showing their confidence in and commitment to Univission.

Drigo911



Retail Outfit enabled to restock after riots

Drigo911 Investments is a company that incorporates a retail business, a bakery, car wash business, and the provision of additional services such as supply of prepaid electricity and airtime. Mr Ngwenya is actively involved in the business and supported by the staff complement of 7 employees. All these employees are black people as defined.

As a result of the recent riots which resulted in looted stock and reduced trading activities, the business took a decision to retrench all the employees in the car wash business and two employees in the store. However, these affected employees will be re-employed post the NEF, dtic and Solidarity Fund support to the business.

Impact of the riots

Drigo was one of the retail stores that were affected where the looters broke into the industrial concrete wall and entered the shop to loot all the stock that was on the shelves. In addition, the looters stole the business computers that were used by the cashiers and a shop

manager, stripped of the camera systems and stole other business equipment that may be sold to scrap yards. On the car wash business, the looters stole the carports that had been bought recently by the owner as well as other car washing equipment and cleaning consumables.

On the fateful night of the looting, the owner of the business, Mr. Ngwenya, tried his best to protect his businesses and was unfortunately, resulting in severe injury and admission into hospital. As this business is the only source of income for him and his family, Mr. Ngwenya was temporarily incapacitated nearly resulted into a complete closure of his business. After being released from hospital, he took his last cash savings from the business and bank overdraft to refurbish the shop by rebuilding and improving the safety of the store by installing steel walls in addition to the industrial concrete walls, and bought second-hand computers, with new camera system as well as repairing the damaged refrigerators.

The cost to refurbish the shop is approximately R350 000. The business managed to source some minimum stock on credit from its suppliers to keep running and retain its customers. However, the stock soon proved insufficient as evidenced by the investment team where some of customers were turned back due to unavailability of stock.

Purpose of the funding

The funds requested by Drigo will be utilised towards the acquisition of trading stock, fix the damaged machinery while the balance of the funds will be used towards funding the working capital to support the recovery of business operations.

Economic Relief Fund Rationale:

This is a strong business case with 7 permanent jobs where 2 of the employees that were retrenched because of the riots will be immediately reinstated following funding approval.

The requested funding of R4 million is split as follows:

- R2 million Economic Relief Fund (ERF) loan funding at 0% interest. with a 12-month moratorium, 60-month term loan
- R2 million grant from the Solidarity Fund

5 Star Cash Wash



Local customers relieved Car wash is restored

5 Star Cash Wash is a 100% black-owned company established in 2003 and engaged mainly in the provision of car wash and valet cleaning services to individual customers and corporate clients. The business operates from three locations namely:

- Crossroads – Mofolo South, Soweto;
- Naturena – Comptonville; and
- Sandton – Gallo Manor.

The Crossroads property is owned by the business whilst the Naturena site is leased to the business by its sole shareholder, Mr. Thulani Msimango. The 48 year old entrepreneur is a former taxi driver who has been in the car wash industry for more than 18 years.

The Sandton location comprises parking bays allocated to the business by Adcorp. In addition to the car wash revenue, the company earns rentals from letting office space at the car wash premises to small businesses, including beauty salons, food outlet, panel beater, upholstery and a real estate business.

5 Star Cash Wash employs 77 permanent staff members, comprising managers, car washers, cleaners, security personnel as well as temporary staff. 8 staff members were laid off as a result of the recent riots and lootings. The business provides opportunity to unemployed, unskilled and desperate youth, the majority of whom would have been considered unemployable.

Mr Msimango has a demonstrate passion for uplifting disadvantaged members of the community, including rehabilitated drug addicts and formers prisoners – who are loyal to him and the business. Some of the staff have been employed by the company for more than 10 years.

Customers include the local Soweto community and surrounding areas, and individuals travelling to Soweto from outside of the Gauteng Province. In addition, the business offers reduced rates at R50 per vehicle to public sector employees such as teachers, police officers, nurses, etc. This, together with the quality service provided by 5 Star Cash Wash, has endeared them as a prominent car wash of choice in the community, thus the high volumes of cars washed on a daily basis.

Furthermore, other complementary services such as a beauty salon, restaurant (Café) are offered at the same premises. Not only does 5 Star Car Wash generate rental income from the spaces that are let out to the tenants, but the arrangement also gives customers the opportunity to enjoy these while their cars are being washed.

Impact of The Riots

The Naturena and Crossroads car washes were affected by the riots and looting, with more damage being caused at the latter location. The portion of the Naturena site which was looted and damaged largely relates to a different part of the business, a restaurant that is currently being built. Prior to the riots, the Naturena premises were being expanded to include a sit-down restaurant which would be leased to a restaurant owner. This expansion was funded from the profits of the company. However, because of the reduced capacity due to the recent lootings, particularly at the Crossroads car wash, the business was unable to continue funding this expansion.

The Crossroad car wash was vandalised and looted necessitating repairs and replacement of doors and locks in order for the business to continue operating. Equipment recently acquired by the business, including washing equipment and pipes for the wash bays, as well as vacuum cleaners, were looted. This has had an impact on the business's capacity and sustainability.

Other areas that were damaged include the security systems, the roof of the portion of the property that was used for the valet cleaning services. The damages to part of the Crossroads business have resulted in the valet cleaning portion of the business being halted and 8 employees being laid off. The intention is to rehire these employees once this damaged portion of the property has been restored

Purpose of the funding

The request for funding was required to repair the damaged property at Crossroads and replace stolen equipment. This was followed by the request for additional equipment, such as a generator, which is integral to the sustainability of the business. Furthermore, the business required cash to cover operating expenses of the business for four months, while the business recovers and returns to full capacity

The restoration and sustainability of the business will ensure the retention of current jobs and the reemployment of the 8 staff who were laid off. Furthermore, the business's sustainability ensures that it continues to provide the rental space to the small SME tenants, who in turn provide more employment opportunities.

There is potential for the business to return to full capacity, and fund the expansion projects, including the restaurant, thus also creating more employment opportunities. Part of the funding will be utilized for the acquisition of car wash equipment and a generator

Economic Relief Fund Rationale:

5 Star Cash Wash has demonstrated resilience, continuing to generate significant revenue during the COVID-19 national lockdown, as well as after the recent riots and looting. Furthermore, the Business is an important player in the local township economy, creating jobs for unemployed youth in Soweto. Funds totaling R2,2 million will be committed to 5 Star Cash Wash as follows:

- R1,1 million from **the dtic** ERF, at 0% interest over 60 months with a 12-month moratorium.
- R1,1 million from the Solidarity Fund, grant funding
- 12-month moratorium
- 60 months term loan

Salim Munshi Family trust



Relief Fund puts property management company back in business

Salim Munshi Family Trust is a property holding entity that was specially created to acquire and develop commercial and industrial properties in South Africa. The company has been in existence for over 20 years and is led by

Mr. Salim Munshi. The trust owns and operates 18 retail centres, residential blocks and real estate in Northern and Central Kwa Zulu Natal, and the Eastern Cape. The Trust, has most recently invested more in the development of Real Estate catering for the housing of Students in and around the central Durban Area.

The company has 9 employees at present. The six centres employ a total of 613 people, representing indirect employment impact in this transaction.

Among their strengths and achievements is the ability to identify the need for retail convenience within communities in KwaZulu Natal. In doing so they aim to develop centres which provide essential convenience to the immediate community and in return create jobs within communities. Guided by the founder, they have created a portfolio of well-performing properties in various locations in Kwa Zulu Natal and the Eastern Cape. Mr. Salim Munshi arrived in South Africa from India in the year 1988. He worked at a local hardware in the South Coast. Shortly after he began a small business selling plastic bags. He relocated to the Eastern Cape to explore the opportunity to trade in the sale of hardware items. Mr. Munshi eventually opened a hardware store and catered to the requirements of the local community.

The business has approached the NEF to source economic relief funding totalling R38.9 million for the purposes of rebuilding the properties that were looted, vandalized and damaged during the riots.

Impact of The Riots

With the recent riots that took place in KZN early July 2021, the retail centres were severely damaged due to the stores being looted and vandalised.

Purpose of the funding

The funding required will be utilised to rebuild the properties following the riots and looting;

- Kwamashu Nyala and Medical Centre = R11 million
- Umlazi Square = R10.1 million
- Melmoth = R17.6 million
- Commercial retail properties located in Umlazi, Kwamashu and Melmoth

The business is 100% black-owned and has created a total of 613 jobs in their affected properties.

The NEF team appointed independent quantity surveyors to manage the rebuild process with the appointed contractors as per the damage and claims submitted.

Economic Relief Fund rationale

The funding loan and grant is structured as follows;

- CIRP and Solidarity Fund grant funding of R11.2 million and
- ERF loan of R27.5 million

At 0% interest rates, with a 12-month capital moratorium with 12 months repayment terms.

African Basket



African Basket brings a taste of home closer for immigrants

African Basket is a 100% black woman-owned food and beverages company established in 2018 to sell premium products from the African continent and process raw materials to produce basic food products in South Africa. The company is part of the Shingai Group of companies, an investment holding company focused primarily on the food and beverages markets. Other companies in the group include SPSK Enterprises (logistics and warehousing), Shingai Foods (processing and manufacturing food products), Shingai Grain Marketers (maize, rice, wheat, beans and other commodities) and Shingai Property.

Ms Philisiwe Sibiya is the founder and sole shareholder of African Basket. She is a seasoned executive with wide retail management and business experience. Ms Sibiya is a qualified Chartered Accountant, and previously served as CEO of MTN Cameroon, CFO of MTN South Africa and holds directorship positions in various organizations.

The company has to date established a chain of 16 retail stores in Alexandra, Hillbrow, Cosmo City, Johannesburg and Cape Town. In addition to retail, African Basket produces other food products in South Africa to sell through its chain of stores thereby providing affordable food products to the local market. African Basket also wholesales these products to other independent micro retailers.

African Basket is managed by qualified and experienced management and technical team possessing a combined 75 years' experience in retail management, production, distribution and marketing of food and beverages, particularly alcoholic beverages. The business currently employs 116 people on a full-time basis of whom 8 are employed by the Alexandra branch.

The company's core business is to service the immigrant population in South Africa. The 16 locations where the stores are located are specifically chosen as the areas with a high concentration of nationals, a market which African Basket serves. In certain areas demand is so high, the entrepreneurs from various African countries, have either expanded stores or opened a store nearby.

Traditionally, the immigrant population is underserved and typically relies on informal markets for their favourite products, on an ad hoc basis. African Basket has demonstrated that this market is brand-loyal and willing to pay for premium-sourced, well packaged, safe foods, familiar to them from formal stores as proven through African Basket outlets.

The applicant's research and their own experience through their stores pointed out that consuming home/ethnic foods makes several positive impacts on immigrants. Eating home/ethnic foods not only provides immigrants with necessary nutrition; the tastes of home/ethnic foods can also further release and decrease the emotions of nostalgia.

Impact of the riots

The riots which gripped the country concentrated mostly in KZN and to a lesser extent in Gauteng, resulted in destruction of the stores in the Alexandra Plaza including

African Basket, Alex. These businesses were unable to resume trading for extended periods. The property was insured, however, had never anticipated the level of destruction and had significantly under-insured the store's assets on advice from an insurance broker due to the likelihood of such an event occurring in such a secure shopping small such as Alexandra Plaza, being considered remote.

Not only was all the inventory in the store looted valued at approximately R550 000, but all shop fittings, fridges, freezers, counters, safes and shop equipment, were destroyed or rendered unusable. The windows, shutter doors and ceilings were also damaged, rendering it unsafe to use until full repairs are done. The damage to repair and replenish the store is approximately R1.25 million. The Alexandra store was opened in June 2019 and the staff compliment is 8.

Economic Distress Relief Fund

The purpose of the finance is to replace stock and restore the infrastructure to levels prior to the riots as well as to replace damaged and stolen equipment which were not insured. The loan facility of R1.25 million provided by the Economic Distress Relief fund is payable over 48 months, to give African Basket, Alex the capacity to rebuild all shop fittings, counters, safes and shop equipment that was destroyed during the July 2021 riots and for the company to retain the 116 jobs.



KPML

Tackling a crisis with creativity with help from the NEF and Solidarity Fund

Innovation and agility to adjust to the unexpected are two critical traits for any entrepreneur. Just ask Ms Kedibone Lebethe, the managing director the KPML group of companies and she will have quite a story to tell.

The KPML group own and operate some 30 KFC branches across Gauteng, the North-West and Mpumalanga. Ms Lebethe also co-owns a KFC franchise in Mayfield Square, Daveyton, in Ekurhuleni. KFC outlets operate under the Yum! brands franchise.

Covid-19 tested the determination of the business owners and managers as stringent lockdowns came into effect. Afterall, the KPML group employs more than

1 050 people – 65% are women and 67% are youth. In addition, four employees are disabled. No one was retrenched.

Then came the civil unrest of July 2021 that hit parts of Gauteng and KwaZulu-Natal. Fourteen branches were looted and vandalised.

Once again, the company had to take swift action to come up with creative solutions to reopen the 14 branches and save jobs.

Experience counts

It is no surprise Ms Lebethe and her team rose to the challenge. The majority shareholder of the KPML group of companies, Lebethe has vast experience in the industry.

She began at KFC in 1986 as a cashier with no formal qualifications and worked her way up to the top, undertaking various roles throughout the organisation and completing various internal courses. She became a branch manager and later regional and area manager. She was later promoted to training manager and later to executive training head.

She opened her first KFC branch in Sebokeng in 2007. She is also a member on the Yum! Brands International Advisory Council for Finance.

Reopening branches

The company spent more than R2.5 million to get some of their branches up and running again. They also transferred equipment from low performing stores and sourced old equipment from their warehouses to install in their high-profit stores.

They managed to successfully reopen four branches – in Kagiso Mall, Highpoint, Daveyton Campus and Daveyton Mall.

However, the other branches proved to be more of a challenge, so Ms Lebethé successfully applied for relief funding from the National Empowerment Fund (NEF).

In the second phase of the group's recovery plan R10 million from the NEF was put to good use refurbishing and reopening the badly damaged but high-profit KFC stores in Sebokeng, Diepkloof Square, Evaton, Protea Glen and Eyethu Mall sites. The kitchens of these stores were reequipped, office equipment was replaced, stock was replaced and security was upgraded.

Taking advantage of a crisis

The third and final recovery stage saw the NEF provide over R30 million to reopen the last five branches in Mayfield Square in Daveyton; Senaoane in Soweto; Palm Springs in Orange Farm and Mandela Square in Sebokeng. Four of these were significantly damaged, with the equipment completely removed, the buildings vandalised and some even completely burnt out.

With the opportunity to repair and upgrade of these severely damaged branches, the company decided to move two of the branches, moving the Senaoane branch to a high traffic area in Dlamini, and moving the Mandela Square branch from Sebokeng to Tshipiso in Emfuleni.

The refurbishments cost:

- R10 million for the Mayfield Square KFC saw 37 jobs saved – 70% women and 75% youth;
- R6.75 million for the Dlamini KFC, with 23 employees reinstated and with five new jobs created – 60% women and 75% youth; and
- R13.45 million for both the Palm Springs and Mandela Square KFC branches, with 46 employees reinstated and 12 new jobs created – 65% women and 70% youth.

All the loans, except that for Mayfield Square, are for a 60-month period at 0% interest, with a 12-month moratorium. The loan to Mayfield Square is to be repaid over an 87-month period.

Through their quick actions and smart decisions, the KPML group, with the help of the NEF and Solidarity Fund, has been able to save 106 at-risk jobs and even create 17 new jobs.

Triangle Stores Shopping Centre



During the July 2021 civil unrests and riots, one of the largest retailers and wholesalers of Fast-Moving Consumer Goods (FMCG), Triangle Stores Shopping Centre in Highflats town in Kwa-Zulu Natal (KZN) was looted and vandalised, with damages to ATM and IT equipment and stock.

Triangle Stores shopping centre employs over 300 people and is the nucleus of the town in terms of economic activities and the stores alone employ approximately 170 people (135 full-time) and about 40 casuals.

Impact of the Riots:

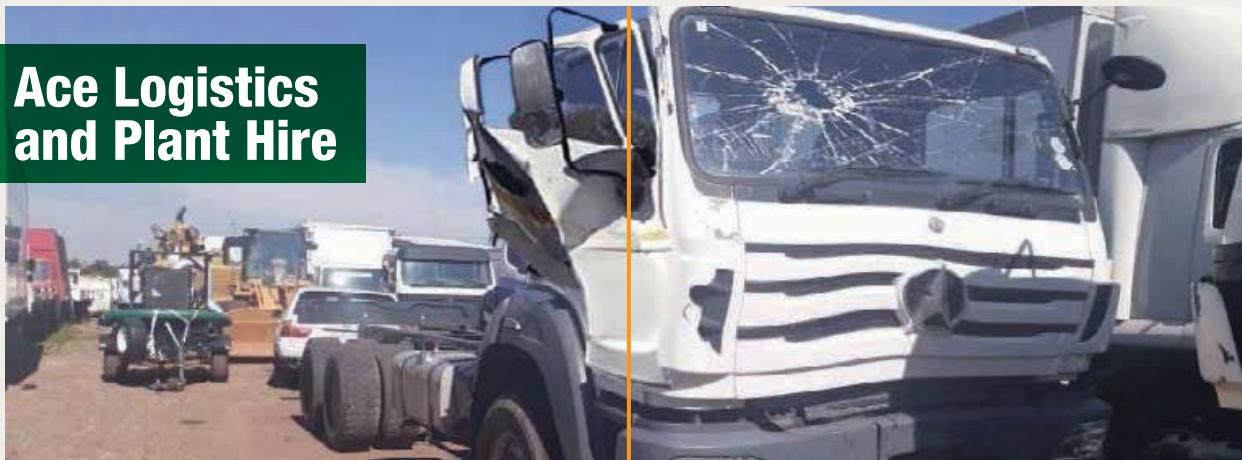
At the time of looting, the store had stock in the warehouse of approximately R40 million. Most of the stock was looted, and the remaining goods were rendered unusable as they were damaged or contaminated. The loss amounted to R35 million. There was also theft of trolleys that needed to be replaced.

Director Mr Ahmed Hoosen Mansoor says in 40 years of operations he had never anticipated that his family's hard work and dedication would be destroyed in mere days affecting the mostly communities that rely on the bulk savings Triangle stores provides. The store is not just a supermarket. It is also a wholesale and attracts bulk customers as far as Ixopo and its surroundings.

Economic Recovery Fund:

NEF KZN Regional Manager, Mr Phakamile Madonsela says the NEF under the Economic Recovery Fund (ERF) will allocate R10 million on a 0% interest rate, with R5 million grant allocation from the Solidarity Fund and the remaining R10 million sourced from the NEF loan at 7% interest rate (prime).

Ace Logistics and Plant Hire



Logistics company back trucking through Relief Fund

Ace Logistics is 100% black-owned and managed company operating as a logistics and plant-hire business focusing on mining, construction and logistics industries.

Initially the business employed 4 staff members comprising a Safety Officer, Operations Manager, driver and office clerk. With the acquisition of 3 trucks in May 2021 the business employed 6 more drivers, with 2 drivers per truck working two shifts. The business does not own a truck parking site as the trucks are predominantly on the road, and drivers use the services of truck stops and hotels for rest. The company soon added 2 mechanics and a Repairs, Parts and Maintenance clerk to bring their staff compliment to 14 full time employees.

In July 2018 the business signed their first 5-year dry contract with option of renewal with Trojan Oil Commodities, an agent and contractor that holds direct contracts with various mining houses. The contract is for movement of Chrome from Northwest and Gezina to City Deep, Johannesburg using a 34 ton truck and trailer. Ace logistic is still servicing this contract to date and has secured more business, since inception.

Impact of the Riots:

Ace Logistics' 3 trucks were attacked and damaged on the 12th of July 2021 due to unrest that took place in parts of Gauteng and KwaZulu Natal. The 3 trucks were on route from Olifantsfontein, Midrand to Mpumalanga when they were attacked. The 3 trucks are fully owned by the business. This has forced the business to rent 3 trucks to service the Fledextro contract and the promoter approached the NEF for assistance with refurbishment, repairs, body work to be done on trucks and working capital totalling R2.5 million. The business is uninsured due to previously only owning 1 truck under the Family Trust and just having acquired 3 new trucks cash, which were also uninsured. The entrepreneur cited the cost of insuring a horse at +/- R8 000 and a trailer at +/- R12 000 respectively. Cashflow constraints and Covid impact on the business made it difficult for the business to insure all 3 trucks & trailers but going forward the business plans to insure these assets.

Purpose of the funding

The business sought funding to replace and refurbish damaged trucks and reemploy 6 drivers who were impacted and unemployed since the vehicles were burnt and damaged during the July 2021 unrests.

The funds will be utilized for repairs, body work and parts for the trucks to be fully operational, staff salaries, and diesel.

Thulini Shopping Center



KZN: Umzumbe local Municipality in Kwa-Zulu Natal (KZN) is an administrative area in the Ugu District and is named after the Umzumbe River. Income levels in this area are very low with almost 60% of all households having an income of less than R500 per month. Households rely on pension and other welfare grants, migrant remittances, informal earnings and casual employment wages to survive.

Impact of the riots:

Thulini Shopping Centre in UMthwalume location, Port Shepstone, KwaZulu Natal, was fully let by 24 tenants prior to the looting and employed approximately 200 people. The cost of damage to the center is estimated to be closer to R50 million.

The centre suffered damages to the building structure, and sustained fire damage on reinforced concrete.

Solidarity NEF Funding

Requested funding for the reconstruction of the Thulini Shopping Centre amounts to R47 million with the breakdown as follows:

- R10 million - NEF Economic Relief Fund at 0% interest, 60 months, and 12 months moratorium,
- R5 million from the Solidarity Fund, provided as a grant.
- R29 million provided as a senior NEF loan, prime linked, 12 months moratorium,

Midnightstar 64



Business pumping due to economic recovery funding

Midnightstar 64 was established in 2008, with the first retail shop located in the Umlazi Mega Philani Shopping Centre, Durban, Kwa-Zulu Natal. The business has since expanded and established 5 additional retail shops, specialising in beauty and cosmetic products; skin care; essential health, patent and traditional medicine products; baby care, nutrition and food products.

Impact of the riots:

Midnightstar 64 Trading was not spared the impact of the civil unrests with all 6 Beauty World retail shops looted and vandalized. The greatest impact was the loss of stock that was totally looted from the retail shops as well as damage and or loss of IT equipment, shop furniture, equipment, fixtures and fittings.

Solidarity NEF Funding

Requested funding for the reconstruction of the Midnightstar 64 beauty world outlets is R10 million with the breakdown as follows:

- ERF Loan Facility – R5 800 000
- 0% interest with 12-month moratorium on capital
- Capital to be repaid over 48 months
- Solidarity Fund Grant Facility – R4 200 000

Mbobo Investments (Pty) Ltd



Engen Service Zola North Receives Funding injection

Engen Service Station is situated in Zola, Soweto, and is located on the busy Bendile street road crossing between Zola and Jabulani forming part of Rea Via, Taxis and Bus routes. There is a Taxi parking yard behind the service station which contributes to the pump revenue. There is a large portion of undeveloped land next to the site that is earmarked for a Taxi rank in the foreseeable future. The site's biggest competitor is the Caltex Service station next to the Shoprite Checkers that is situated 500 metres from the site.

The service station operates 24 hours 7 days a week with a 32 staff complement offering the following services:

- Engen Convenience Store (Quick shop)
- Corner Bakery
- Standard bank and FNB ATM's
- 16 Petrol (93 & 95) and 8 diesel (50ppm) pumps

The site was established by Mr. Zakhele and Patience Radebe a husband-and-wife team who are fulltime operators. Mr. Radebe passed away in September 2018 leaving Mrs. Radebe as the sole owner and operator of the site.

The couple has been part of the Engen family for over 25 years, running 5 other Engen service stations through various entities, and they are fully owned and managed by Patience Radebe. She holds a Diploma in Purchasing Management from the Vaal University of Technology and

Certificate in Engen Retail Skills Programmed training and currently managing over 220 staff members on the group entity.

Impact of the Riots:

Engen Zola North was vandalised, looted, and burnt down during the July 2021 unrest that took place in parts of Gauteng and KwaZulu Natal. The service station was closed due to unrest and shortage of staff that feared for their lives. Engen has revamped and fixed the damaged forecourt which include wet & building works, tank & canopy repairs and parts replacements.

The service station was closed and the entrepreneur then approached the NEF for assistance to refurbish the Convenience shop, Stock, repair tanks (dry & wet stock) and for 2 months Working Capital needs

Purpose of the funding

The funds will be utilized for the following requirements:

- Building, Bakery & Shop Equipment and Furniture & Fittings
- Working Capital 3 months (Rent, Opex and Salaries)
- Stock: Quick Shop (Dry)
- Petrol, Diesel & Lubricants (Wet)

Initial expenses include building, wet, electrical & plumbing works, point sale systems, machinery, furniture, staff room, generator, and various equipment.

Products

The wet stock and lubricants are supplied by the Franchisor (Engen). All orders for the fuels are placed

directly with Engen and deliveries are done on specific days to each site. Engen has pre-approved suppliers, distributors and delivery partners for all their products. All sourcing and approval of products suppliers are done at head office including the pricing promotional material and flyers.

Economic Recovery Fund:

The Franchisee approached the NEF for assistance of loan funding of R4 million to reopen the service station and to re-employ 32 permanent staff members that lost their jobs due to the damage to the service station. The company is 100% black women-owned and managed business with over 10years in trade.



PnP Bara



Diepkloof residents happy with the rebuilding of PnP Bara

Tirivashe was established on 4 June 2017 and operates a Pick n Pay supermarket selling grocery items to the local communities of Diepkloof and surrounding areas. In addition to selling grocery items, the business also offers cash withdrawals to SASSA beneficiaries and houses a Tyme bank terminal and staff who help the unbanked get banking services cheaply. The business is managed by Mr. Mazhande, whilst Mrs Mazhande reviews the finances of the business being a Chartered Accountant (SA).

The business trades from a 1,500sqm shop, located at the corner of Chris Hani and Bara Roads, Diepkloof, Soweto, at the Black Chain Shopping Centre. Anchor tenants include PnP, Mr. Price and Shoprite U-Save. The centre is located near the Baragwanath and Clinix Hospitals and is also within walking distance of the taxi rank.

Impact of the Riots:

Mid July 2021 was monumental for South Africans as sporadic riots broke out across KwaZulu-Natal and Gauteng.

On the 11th of July 2021, Black Chain Shopping Centre was attacked. All businesses were looted. PnP Bara's equipment was destroyed and the stock was looted. The business ceased operations immediately. After negotiating with suppliers to equip and restock the business, the doors were opened on the 5th of August 2021.

During the riots, the sheer scale of destruction across KZN and Gauteng was immense. Malls, stores, and shopping centres were ransacked forcing even vaccination centres to close.

Purpose of the funding

The funding of R3.7 million will cover costs for equipment and the insurance shortfall for stock. The funding will enable Tirivashe to settle suppliers whilst waiting for the insurance claim to be settled.

Prior to the unrests, Tirivashe employed a total of 127 employees most of whom are Black Africans drawn from the surrounding areas. The business had released all its staff, after the riots, paid them their full benefits and guided them towards accessing Unemployment Insurance Fund (UIF) benefits. Since opening its doors in early August, all staff have returned to work.

Brown Arrow Investments



Giant Regional retail chain resumes operations after funding

Brown Arrow Investments is a Clothing and Retail business that operated 3 stores in the Durban central business district (CBD), specialising in famous brand Apparel, Footwear and Accessories across all ages. The business also has an in-house brand named BVD 'Best Value Dollar' that is manufactured and trademarked by the company. The business employs a total of 26 full time staff members – who faced losing their jobs due to the closure of 2 PNS stores and a Hype store as a result of the July 2021 unrests and riots.

The company opened its inaugural PNS store in Durban in 1973 by Mr. R Parshotam stocking local styles and international quality products. The business grew to four retail stores; 2 PNS stores and a Hype store all situated in Durban. Branded clothing and footwear sold include Nike, Adidas, Puma, Sebago, Vans, Converse, Bass, Crockett & Jones to name a few. The business was taken over by the Son Mr. Kamal Parshotam in 2019 when his father resigned as managing director. Kamal has been involved in the business for the past 20 years in various positions including: Sales Rep, Stock Clerk and Bookkeeper.

Impact of the Riots:

The PNS and Hype stores were vandalised and looted on the 15th of July 2021, leaving rubble, debris and damage estimated at R20 million. The business suffered losses to stock, working capital, equipment and structural damage to its stores which required extensive repairs to building, electrical, plumbing, ceiling, wet works, storage and tiling work. The store was vandalised and looted. Its floor space covers 277m² and is estimated to cost R4 million to rebuild, stock up and to support running costs for 6 months. The PNS & Hype stores situated at The Workshop Shopping Centre were also vandalised, damaged, and looted. This store is 117m² and it is estimated to cost R3.5 million to stock up and fully set-up.

The value of Merchandise lost amounts to R1 857 648 and documentation is on file for proof. The biggest store under Brown Arrow requires a lot of work as it was heavily damaged and burnt. The store covers 459m² and it is estimated to cost R10 million to stock up and restore to full operations.

The 3 stores were closed, placing 20 jobs in jeopardy.

Economic Recovery Fund:

As part of the recovery plan the entrepreneur has taken up a new site at Phoenix and opened a 3rd PNS store. The Hype (The Workshop Shopping Centre) store is fixed up ready to be stocked and fully equipped to trade. The stores needed a severe revamp which included building work, electrical, plumbing, ceiling, wet works, storage and tiling work.

The patriotic partnership between the NEF and the Solidarity Fund has given hope to Brown Arrow Investments through a funding facility of R10 million for the company to pick up the pieces, resume operations and save 26 permanent jobs.

Gamalakhe Lifestyle Centre



200 Jobs saved through Economic Recovery Fund

PNJW Trading is a property holding company that was specially created for the development of the Gamalakhe Lifestyle Centre located at Gamalakhe Township, 19 km from Port Shepstone on the South Coast of KwaZulu Natal. The shopping centre is anchored by Boxer Express, Boxer Liquor, Boxer Build, Clothing Junction as well as KFC and PEP. The total Gross Lettable Area (GLA) of 5 251m² has approximately 22 tenants.

Developed in 2015, the shopping centre services the immediate community in the primary catchment area of Gamalakhe Township. The second catchment area includes surrounding communities such as Nsimbini, and Qina. It has been trading since then, other than the mandatory closure as necessitated during the more stringent lockdown levels imposed due to the COVID-19 pandemic.

Gamalakhe Lifestyle Centre is 90% owned by Sabcapital and 10% owned by the Mazeka siblings, and is managed by AJ Property Holdings.

Impact of the Riots:

The shopping centre was attacked, looted and fire damaged during riots in July 2021. It is built on two blocks, Block A and Block B, which were both extensively damaged, vandalized and burnt. The structure must be demolished and rebuilt. Electrical and water connections were also affected.

Block A (Boxer section) may easily and readily be accessed, cleaned, and reinstated. Timber roof trusses indicate smoke staining only, with no structural damages. Damages to sub-roof sheet insulation was isolated and limited and may be reinstated without removing roof sheets. A few solar panels above the Boxer roof were damaged, but the roof structure does not appear to have been affected. Access to the Boxer liquor store and KFC could not be gained, but no structural damages were noted. Other shop fronts need minor repairs such as brick work, tiling, painting installation of steel roller shutters and roof and wall insulation.

Purpose of the funding

R12 million for partial reconstruction and repairs for Block A building that suffered minimal damages to the structure. Block B was extensively damaged (burnt) and will need to be demolished and rebuilt.

The business has insurance which includes SASRIA (insurance for riots) with FNB Insurance, Old Mutual Insure Limited brokered by FNB Insurance Brokers. When the insurer pays the proceeds will be ceded directly to the NEF to reduce the loan exposure. The buildings combined (Block A & B) are insured for a R69.3 million.

Economic Recovery Fund:

PNJW Trading approached the NEF for assistance of economic relief funding amounting to R15 million on the following conditions.

- 1) 100% bridging funds at 0% interest:
- 2) The loan to be settled from the proceeds of the insurance payout
- 3) 12 months moratorium
- 4) 12 bridging finance term loan
- 5) Cession of SASRIA payout claim

Their tenants currently employ approximately 200 people residing in the township of Gamalakhe. However, because of the July 2021 unrests a portion of the shopping centre was burnt down and the other portion badly damaged, all 200 people were unemployed since July 2021. The economic relief funding of R15 million will go towards the rebuilding of Gamalakhe Lifestyle Centre and resume occupancy of their tenants and save jobs.

Wildfire Trading 304



Engen All Africa Convenience Centre pumping after funding

Wildfire Trading 304 was established in 2013 to explore the opportunity to become an Engen retailer. The filling station sells to the public and relationships with what they refer to as special customers, which include Builders Warehouse, Chromico and Alex Mall.

The franchise agreement, between Engen Petroleum Limited and Wildfire Trading 304 has been re-signed for a further 2 years ending in April 2023. Engen is the

leaseholder with the head lease being held by Capensis Investments 352. CIT is offered by Fidelity Guards, through Cash Connect.

The Convenience Centre has the following features:

- There are 32 CCTV cameras on site
- 4 islands
- 8 pumps, retailing 95, 93 octane and 50ppm diesel.

The business experienced a decline in the February 2021 financial year end because of the COVID-19 lockdown experienced between March and July 2020. Pre-COVID the business was averaging 400 000 litres as of October 2021, the business achieved volumes of 370 138 litres. This is evidence that the convenience centre is slowly returning to its former peaks. The projections in February 2023 are based on a 2% increase in volumes sold compared to the current October 2021 volumes.

The 2022 financial projections of R23million are based on 3 months trade since the NEF funding was disbursed in December 2021.

Impact of the Riots:

With the riots that occurred in Gauteng and KZN during July 2021, All Africa Convenience Centre was looted and burnt down resulting in complete destruction of the convenience shop. The forecourt was not damaged, except for one of the pump nozzles. The entity is insured by Garage Sure and has put in a SASRIA claim.

The business was closed for a month post the civil unrest, volumes are ramping up to historical figures before the civil unrest, however, the business has had to utilise a bank overdraft to stay afloat and to retain its full staff compliment.

Purpose of the funding

Wildfire Trading 304 CC has approached the NEF's ERF for a total funding of R2.5million to rebuild the business following the unrests. The owner is struggling with working capital, especially with wet stock and monthly

operational expenditure. NEF funding will alleviate the cashflow strain experienced because of the looting.

- The facility will be used to purchase equipment and to provide working capital as the business continues to march towards historical volumes that were achieved before the civil unrest.
- Dry stock is purchased at Makro, Game and other retailers.

Economic Recovery Fund:

Wildfire Trading 304 fits in the NEF ERF structure and meets all the requirements. The business was unfortunate that it was adversely affected by the riots and looting and has thus suffered a considerable loss. The company is 100% Black-woman owned and it operates from a township.

Commercial viability and the financial risk of non-payment of NEF's loan has been established and Wildfire Trading 304 is considered capable of the repayment of the R2.5million facility, comprising of R1.75million from **the dtic** Economic Recovery Fund and a grant of R750 000 from the Solidarity Fund.

3 Core Electrical



3 Core Electrical gets its spark through economic relief funding

3 Core Electrical is an electrical and maintenance company that is based in a property investment company that owns commercial property development mainly in KwaZulu Natal and Western Cape. Sugar Creek has approached the NEF to source economic relief funding of R9.3million for the purposes of rebuilding an industrial property located in Southmead Industrial Park in Pinetown that was looted, vandalized and completely damaged by fire.

3 Core Electrical is a 100% black woman-owned company managed by Ms Palesa Dube, an Optometrist by profession, who has been involved in Electrical and Telecommunications projects since 2008. The company is an installation and maintenance contractor operating in the Electrical, Surveillance, Monitoring and Telecommunications space. They do maintenance and construction of High Voltage Substations, Power Transmission Lines and Cables, Streetlighting and Fiber Optic cables for the ICT industry.

Currently the company employs 123 employees, and since inception 24 employees have been trained by the company and are now qualified electricians through funding and mentorship provided by 3Core Electrical. Electrical – Erection and Maintenance of substations, overhead lines, underground cables, house service connections and streetlighting are among the specialties. Main customers include the private and public sector across Kwa-Zulu Natal .

3 Core Electrical Communications include Installation of overhead and underground fiber optic cable, building of manholes, fiber blowing, Installation of fiber cable in sewer pipelines, fiber splicing and terminating, OTDR testing, laser source testing and directional drilling.

Impact of the Riots:

The Pinetown branch sustained damages during the civil unrest that took place between 07 July 2021 and 16 July 2021.

Industrial property and housing business operations were severely affected and sustained damages due to fire and vandalism. 3 Core Electrical lost most of its plant and machinery, electronic equipment, work vehicles, small tools, inventory and office content.

Purpose of the funding

The funding required will be utilised to replace assets lost during the civil unrests.

3 Core Electrical has approached the NEF to raise R11 460 471, which will be used to rebuild the industrial warehouse. The insurance claim has been submitted for R9.5million.

Economic Recovery Fund:

The investment is structured as follows:

1) ERF – R8 460 471

- 0% interest with 12-month moratorium on capital
- Capital to be repaid over 48 months

2) Solidarity Fund – R3 000 000

- Grant facility



CHECKMART HOLDINGS

Vandalised Supermarket and cosmetic chain store gets a funding injection

Checkmart holdings is a 100% black-owned and managed business that is wholly owned by the Ahmed Ismail Abdoola Family Trust members who are involved in the business on a full-time basis and have the relevant qualifications and extensive hands-on experience in the retail industry.

The business was established as an Independent Supermarket and cosmetic chain store franchise that commenced operations in 2017. Checkmart holdings has its head offices in Musgrave, and it currently operates 11 Supermarkets and 2 Cosmetic Shops located in Overport, Stanger, Umzinto, Umkomaas, Durban Central, Port Shepstone, Phoenix, Tongaat, KwaMashu and Verulam, all in KwaZulu-Natal. Checkmart Supermarkets are retail chain stores that are in high traffic areas and

offer household grocery items to the public. The business focuses on low to middle income consumers and the stores are in small town shopping nodes, transport nodes and other premises conveniently accessible to more affluent residential areas.

Checkmart supermarkets offer a full range of grocery items with approximately 9000 stock keeping items (SKU's) in store in various categories. Some of the supermarkets have butcheries, fresh produce, bakeries, and hot food departments. The product mix include a wide variety of toiletries, beauty and cosmetic products, skin care, essential health, patent and traditional medicine products, baby care, baby nutrition products, glassware and plasticware.

The company employs a total of 737 employees all of whom are drawn from the surrounding residential settlements of the communities in which the business trades.

Impact of the Riots:

Following the July 2021 civil unrests, the business has been able to re-open all 3 of the Checkmart Supermarkets that were looted, and its traditional customers have returned to the business. During riots 4 retail shops of the business were looted and vandalised, and these are: 3 Supermarkets in Tongaat CBD, the Taxi Rank and Umzinto, and 1 Cosmetic Shop in KwaMashu.

The recent protest and riots which commenced on 9 July 2021 and lasted about a week has affected businesses in KZN and Gauteng Provinces.

The Smart Cosmetic Shop that was impacted by the July Civil Unrests remained closed as it was in Bridge City Shopping Centre, KwaMashu Township. The client has been informed by the landlord that the site may remain nonoperational for a minimum of 2 years. The 5 employees that worked at this looted and vandalised Cosmetic Shop have been absorbed into other shops within the group.

Purpose of the funding

Checkmart Holdings has approached the NEF for assistance to settle creditors who assisted the business in restocking the 3 supermarkets that were looted. An application was lodged for a R24million Insurance claim for Business Interruption, Stock Loss and Equipment Theft and Damage with its Insurance brokers, Company Guardrisk Insurance (Pty) Ltd.

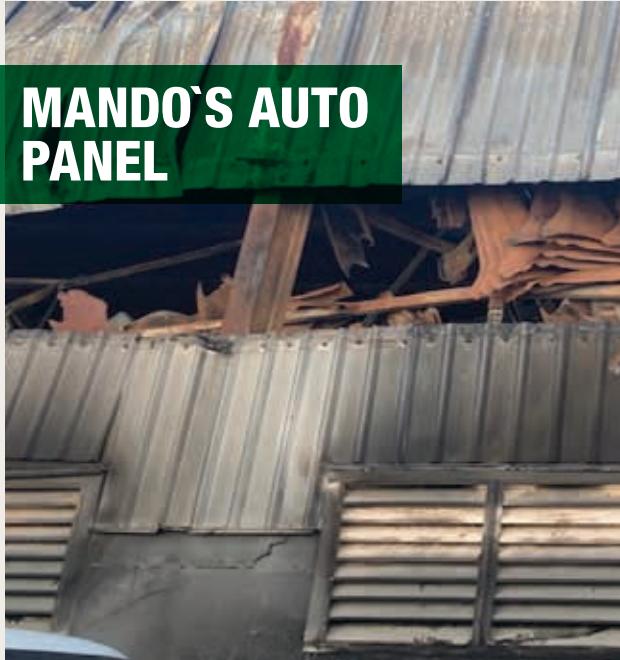
Through the fund 137 Jobs will be retained

Economic Recovery Fund:

The Economic Recovery Fund will invest of R10million to restore and stock Checkmart Holdings outlets in the following areas:

- Checkmart – Tongaat CBD- eThekweni Metropolitan Municipality
- Checkmart – Tongaat Rank- eThekweni Metropolitan Municipality
- Checkmart – Umzinto Ugu - District Municipality

MANDO'S AUTO PANEL



Automotive business rebuilding through Economic Recovery Fund

Mando's auto panel is a family-owned and managed automotive business which started trading almost 50 years ago. Based in Springfield, Durban, the company has grown from strength to strength over the years. The current CEO is Mr Yusuf Yeewa who has been involved in the business for almost 14 years.

The owners used their considerable experience gained over many years in the motor industry to provide a one-stop all-round service, a market leader in panel parts. There is a strong commitment on meeting the customers' expectations at reasonable prices. The company attributes its success to the quality of the staff, their product knowledge, loyalty, enthusiasm and commitment to customer service which is what sets the company apart from its competitors.

Mando's auto panel's unique selling proposition is to provide quality service and a wide range of stock where available. The business supplies quality replacement parts for most vehicles ranging from the manufacture years of 1982 until 2020 for all makes of cars, vans, and light commercial vehicles.

Impact of the Riots:

The business premises of Mando's auto panel were totally burnt down during the July 2021 unrest, which caused an estimated damage and loss of R47 million.

The riots led to the theft and damage to stock, buildings, furniture fittings and 8 vehicles.

The burnt panel parts had to be taken for scrap as they could not be used for repairs. The building will be demolished as the structural integrity is damaged leading to further costs and business disruption. Mando's auto panel had to immediately lease other premises to keep their business afloat.

Purpose of the funding

Mando's auto panel needed cash to buy stock, vehicles, reconfigure the IT system, furniture, and fittings and for working capital. As the factory was totally burnt down, all available stock damaged, and of the 10 vehicles that were on the premises on the day of the riots, 8 were destroyed and must be replaced.

The business with its long trading history prides itself with operational excellence and being in touch with its clients. The company's top five customers are Taximart SA,

Bumper to Bumper, Omar Brothers' Group, Car Spares Group and Gans Motor Spares.

The funding of R37.1 million will retain 76 jobs. Furthermore, the company intends to source services, equipment and other related products from black-owned businesses as they rebuild Mando's auto panel.

Economic Recovery Fund:

The ERF funding of Mando's Auto Panel is broken down as follows:

FUNDING PROVIDED BY:	R
ERF Senior loan	R8 000 000
ERF Suspensive sale	R2 000 000
NEF Senior Loan	R24 500 000
Solidarity Fund	R2 600 000
Total	R37 100 000



Mia Tile Mart

Tile distributor restores business through relief funding

Mia Tile Mart is a tile distributing company which was established in 2010 and is located in Isipingo, Durban, Kwa-Zulu Natal. Its location is significant because it is close to the CBD of Springfield and services customers from the surrounding local townships. The operating activities of the business include selling and distribution of tiles, roofing material, selling and mixing of paints as well as bathroom products such as bathroom sets.

Mia Tile Mart services the private sector, commercial and individuals. It is 100% black-owned and 50% black women-owned. The shareholders, Mr Asif Khan and his partner, Miss Saahirah Sadek, are actively involved in the running of the business. Together the business owners contribute a combined 22 years' experience in running their company.

Mia Tile Mart has approached the NEF to request funding for R2.55million to restore and refurbish the business after it was affected by the looting that took place in July 2021. The Solidarity Fund will contribute R1.25million grant funding to assist the company to recover from the riots and resume operations and to retain their 10 staff members.

Impact of the riots

Mia Tile Mart was vandalised during the July 2021 social unrest which was a result of a group of people mobilising and destroying the properties of many businesses, with Mia Tile Mart being one of the companies which were damaged.

The damage to the Mia Tile Mart store included fire damage, breakage of the glass windows and entrance door. The store was robbed of all its equipment, petty cash and burnt down.

Purpose of the funding

Majority of the funding will be used for capital expenditure, which will go towards refurbishing the stock, replacing damaged equipment and to fix the physical structure of the store. The equipment consists of camera systems, points of payments, receipt printers, desktops servers and other equipment which ensures the smooth running of the business.

Mia Tile Mart will purchase some equipment which will be used for cutting/customizing of the stock, and use the other portion of the funding for working capital, which includes advertising and marketing.

The ten-year-long relationships with their suppliers have allowed them to negotiate terms where they could temporarily extend their credit term and increase their facility to acquire more stock and start attracting customers again. The business began operating again in early October 2021 with only 4 staff members and very limited stock.

Economic Recovery Fund

MIA Tile Mart has requested an amount of R2.5 million from the NEF's Economic Recovery Fund. The purpose of this funding will be to address the impacts of the riots and restore the store to enable it to operate at its previous rate. The store operated temporarily from an alternative building who's landlord indicated an intention to take-up some repairs to the centre. Meanwhile the business owners were able to combine their savings and direct it to the repairing of the store.

Oke Street Hardware



Looted Oke Street Hardware restored to full capacity

Oke Street Hardware is a 100% black-owned DIY Hardware centre solely owned by Mr. Ismail Engar from Winterton, a small town situated on the banks of the Tugela River in the foothills of the Drakensberg mountains, KwaZulu-Natal. The company commenced trading in May 2015 and is engaged in the supply of various industrial and household construction materials, homeware, DIY, power tools, roofing suppliers and general household hardware supplies.

When the unrests began, the business employed a total of 15 full-time and 10 casual workers. All these employees are black South Africans as defined, with

most residing in the Enhlalakahle Township, within the Greytown area.

Apart from the financial losses suffered by the business during the July 2021 riots in KZN and Gauteng, Oke Street Hardware lost institutional data, records and IT infrastructure containing important historic data that had not been backed-up, making it difficult for management to even apply for economic relief funding.

Impact of the Riots:

On the afternoon of Tuesday the 13th of July 2021, a large contingent of rioters and demonstrators descended on Mavundla Square, carrying various home-made weapons, motor vehicle tyres and various containers filled with petrol, intending to break into the shopping

centre, plunder goods and eventually burn the entire establishment to the ground.

On the other hand, the management of Mavundla Square had anticipated this, having seen similar events occurring across the KZN Province over the preceding 24-hours, and had accordingly increased the level of security, including contracting various private security companies to guard the establishment. By the turn of events, the rioters then shifted their attention to the small chain of stores vertically opposite the square, on Oke Street. As evening approached, they first broke into the clothing store along Oke Street Hardware and began the large- scale looting of various clothing and footwear items, after which they proceeded to torch the place. As the flames gradually ate away at whatever remaining content that had not been plundered, they quickly moved towards the hardware. The doors were quickly burgled, and the mob helped themselves to various hardware suppliers, with many rushing for DIY power tools that are easier to carry. Once the shop had been damaged, stock sufficiently looted, it too was doused with petrol and set- alight.

The replacement value of the damage is estimated at R7 million excluding the portion of the repairs to the premises that are the responsibility of the landlord.

Purpose of the funding

The requested funds are to replace damaged fixed assets, furniture fixtures, computer equipment and the looted stock together with the cash on hand that was stolen to assist Oke Street Hardware to resume trading activities and to re-employ the staff.

The establishment of the Economic Resuscitation Fund (ERF) has provided entrepreneurs such as Mr. Engar, together with his 14 employees with hope that the business can be rescued, and jobs saved. Mr. Engar has also indicated that one of the biggest lessons' coming out of the riots, is the importance of adequate business insurance with a SASRIA Cover, regardless of how remote the possibilities of such an event occurring.

Economic Recovery Fund:

The NEF through the ERF facility advanced R8.8 million at 0% interest over 60 months with a 12-month moratorium. The entire facility is to be sourced from **the dtic's** ERF and Solidarity Fund programme and a VAT claim is to be ceded to the NEF. ERF funding is broken down as follows:

- 50% loan funding at 0% interest, with 50% of the funding portion to be a grant from the Solidarity Fund.
- 12-month moratorium.
- 60-month term loan, repaid in 48 equal monthly instalments.



Plaza Butchery

Tshisanyama local restaurant brings revelers together again

The first Plaza Butchery opened in February 1992 in Umlazi township V section. There are three butcheries in the stable and these are located in Umlazi V section, Isipingo and Mbizweni which employs 64 full time staff members and 8 temporary employees. This retail business prides itself with quality meat and a loyal customer base which gives support through sizeable daily orders. The business is renowned far and wide and is a preferred butchery for their customers. The



business's main products are beef, sheep, poultry, lamb, cold meat, ox tongue, offal amongst much more.

Most customers will buy their groceries from other chain stores, but when coming to meat, Plaza butchery is the uncontested choice. The stores have buy and braai options for customers who want the sit-down Tshisanyama eating experience.

Business owner, Mr Alex Shazi, is the general manager overseeing the daily operations which include ensuring the availability of the stock, accounting reports, quality control and checking on the cleanliness of the stores and

other operational duties. His wife Mrs. Shazi, a former teacher and co-owner, is also full time employed in the business as a Financial Director and she is responsible for all payments to the suppliers and service providers and ensures that the financial affairs of the businesses are in a stable position. Through the Mzwandile Shazi Family Trust, they own 16,67% of Mayborn Investments 167 (Pty) Ltd trading as a Jozini Tiger Lodge.

Impact of the riots

All three butcheries were affected by riots in different ways. Mr Shazi has extensive networks in the industry, and he received temporary assistance from various sources so that the business could resume operation. The client had to negotiate with Eshowe abattoir to get upfront stock for the purpose.

Umlazi V section, was not looted, but the two shops adjacent to it were burnt beyond recognition. Mr Shazi is well-respected in this area and has been actively involved in community social projects, his shop was not looted, but other shops in the same complex were looted. The smoke though the ceiling thereafter affected the meat and the business had to throw away the meat estimated at over R200 000. In addition, all the saws, butcher scales and other mechanical items became non-functional including the generator.

Mbizweni – Umlazi

The shop was looted, looted after the alarm and security cameras were disconnected. Meat already cut was taken from the cold room, the protesters took carcasses and money from the safe.

Isipingo

The shop was looted and there was also extensive damage to property. Meat was stolen following disconnection to both cameras and alarms, Fridges were smashed and the rioters took all saws and scales from the store.

Purpose of the funding

The business needs capital to purchase refrigerators, butcher scales, saws, air conditioners and for stock. Should the client retain the number of employees in the business, 30% of the facility will be converted into a grant in 12 months' time, being R1.06 milion.

Economic Recovery Fund:

The ERF grant is distributed as follows:

• Isipingo Butchery	R1 700 000
• Mbizweni Butchery	R850 000
• Umlazi V section Butchery	R1 000 000

The 100% loan funding is at a 0% interest rate, with 12 months moratorium and 60 months term conditions. Cession of SASRIA and other Insurance pay-out claim for each of the above, applies. Any balance remaining after operations have been restored, must not be disbursed but the loan amount is reduced to actual funds expanded as relief funds.

Demifin



Community Centre restored to save jobs

Demifin is a black-owned South African real estate investment company that is principally engaged in leasing of property in under-serviced emerging markets. The company was started in 2015 as a special purpose vehicle (SPV) created for the onward construction and ownership of Tshepiso Crossing. The shopping centre is named after a small township called Tshepiso in Sharpeville, Gauteng province.

The company has made an application of R9.7million to the Economic Recovery Fund (ERF) to rebuild Tshepiso Crossing as it was vandalised and burnt down during the July 2021 unrests. Tshepiso Crossing is a small convenience shopping centre, anchored by a Boxer supermarket, Boxer liquor store and Cashbuild.

Tshepiso Crossing employs 200 employees through its tenants, mostly employed by Boxer with 100 and Cashbuild with 40 employees. AJ Property Holdings is appointed as management agents on behalf of Demifin to manage the day-to-day operations of the shopping centre. Security and cleaning are outsourced to Fezile Security.

Impact of the riots

With the riots that occurred in Gauteng and KZN during July 2021, Tshepiso Crossing was looted and burnt down resulting in complete destruction of the structure of the shopping centre. A preliminary structural integrity report compiled by Diplo on behalf of CIA (SASRIA) indicates that a third of the shopping centre has been damaged severely by fire. The business was negatively impacted as a result, inevitably suffering considerable financial losses.

The business incurred a loss of income after the shopping centre was burnt down and vandalised. The integrity structural report prepared by Diplo on behalf of SASRIA indicate that a third of the centre has been severely damaged by fire and other parts are damaged through vandalism.

Purpose of the funding

Demifin has approached the NEF's Economic Recovery Fund (ERF) for a total funding of R9.7 million to rebuild the vandalised property building of the shopping centre. The funding will cover construction costs for material, flooring, air conditioning, back-office additions and store counters.

Economic Relief Fund Rationale

The transaction is structured as follows:

- ERF amount of R4.85million at 0% interest rate
- CIRP Grant: R4 850 000 non-repayable.
- Cession of SASRIA and other Insurance payout claims.

