

Ref	Sensitivity	Financial Model Outputs									
		Blended Equity IRR	Date of first equity distribution	Sub debt fully repaid?	Date sub debt fully repaid	Average ADSCR	Minimum ADSCR	Senior debt fully repaid?	Year senior debt repaid	Total revenues (nominal)	Total PAT (nominal)
	<b>Base Case Model Results</b> Please provide the required outputs for the current base case model as a comparison to the sensitivities	14.26%	March '19	Y	March '35	1.28	1.175	Y	Sept '33	£80,224k	£8,711k
	<b>Demand risk</b> Table 3 of Section 4 of the ITN details projected births in Ayrshire. Assuming operations start 2006/2007 the projected births are 3,265. Please assess the effect on the financial model if this starting level increased/decreased (refer figures below). Please assume that projected levels post 2006/2007 will vary on the same profile as Table 3 shows (with the amended starting level as detailed below).										
1	2,765 births	14.26%	March '19	Y	March '35	1.28	1.175	Y	Sept '33	£80,224k	£8,711k
2	3,765 births	14.26%	March '19	Y	March '35	1.28	1.175	Y	Sept '33	£80,224k	£8,711k
	<b>Residual Value risk</b> 12.5.7 of the ITN states that bidders should assume a nil residual value for the assets at contract expiry. Residual value risk to be assessed by assuming that the residual value is the amount stated below. One assumes a receipt of £5m and the other assumes a payment must be made by the SPV (effectively assuming dilapidation work).										
3	-£5,000,000 (receipt)	14.26%	March '19	Y	March '35	1.28	1.175	Y	Sept '33	£80,224k	£8,711k
4	£5,000,000 (payment)	12.83%	March '19	N	-	1.28	1.175	Y	Sept '33	£80,224k	(£1,942k)
	Consider the impact of varying life cycle costs. The current base case model life cycle costs (in real terms) are £4,310k. Please assume that the profile remains the same and the total real cost increases by the following amounts.										
5	+ £1,000,000	13.64%	March '21	Y	March '35	1.25	1.028	Y	Sept '33	£80,224k	£7,066k
6	+ £2,000,000	13.00%	Sept '33	Y	March '35	1.23	0.889	Y	Sept '33	£80,224k	£4,406k
7	+ £3,000,000	12.23%	-	N	-	1.23	0.813	Y	Sept '33	£80,224k	(£807k)
	<b>Design risk</b> Assess the impact on the financial model were design fees to increase by amount stated below (nominal). The base case model contains design fees of £1,201k (nominal terms)										
8	[£220,000]	13.94%	Sept '20	Y	March '35	1.24	1.16	Y	Sept '33	£80,224k	£8,160k
	<b>Third Party Use Risk</b> Please assess the impact on the financial model were 3rd part income to be available in the following per annum amounts (stated in real terms; assume inflation at 2.5%). The current base case model assumes no third party income.										
9	£10,000	14.49%	Sept '18	Y	March '35	1.28	1.175	Y	Sept '33	£80,693k	£9,055k
10	£20,000	14.71%	March '18	Y	March '35	1.29	1.177	Y	Sept '33	£81,155k	£9,394k
	<b>Penalties for Under Performance</b> Please assess the impact on the financial model were the following payment mechanism deductions made as a result of under performance. Assume that the amount stated below represents a per annum amount which will apply across the project ie years 1 to 30 of operations.										
11	£6,971	14.11%	Sept '19	Y	March '35	1.27	1.168	Y	Sept '33	£79,903k	£8,462k
12	£39,346	13.28%	March '33	Y	March '35	1.26	1.132	Y	Sept '33	£78,422k	£5,864k
13	£92,646	9.44%	-	N	-	1.25	1.082	Y	Sept '33	£75,979k	(£9,414k)

Notes  
Dates for payments relate to "6 months ending".  
Residual value risk - assume receipts / payments are in current real terms.  
Penalties for under performance per annum are assumed to be subject to inflation at 2.5% per annum