**Model Assumptions**

1. Annual School Fees
   * Base/current rate = Growth rate (Current annual school fee per student – previous annual school fee per student)
   * Worst case – We assumed a similar decline
   * Best Case – We assumed double growth
2. Student Count
   * Base/current rate = Growth rate (Current student count – previous student count)
   * Worst case – We assumed a similar decline
   * Best Case – We assumed double growth
3. Teacher Count
   * Base/current rate = Growth rate (Current teacher count – previous teacher count)
   * Worst case – We assumed a similar decline
   * Best Case – We assumed double growth
4. Taxation. Taxation will remain at 30% throughout forecast
5. Macroeconomics. The model assumes macroeconomics will remain constant throughout the year.
   * The utilized indicators consist of GDP, CBBR, inflation, and unemployment, each assigned specific weightings: 10%, 20%, 30%, and 40% respectively. These weights were derived from numerous school visits, where inquiries were made to ascertain the primary factors influencing their revenue collection and expenditure.
   * The macroeconomic forecast is determined by subtracting the current year (2023) from the projected year (2024). This variance is assumed to exhibit a linear pattern across the entire forecasted period.
   * Macroeconomics is assumed to affect the collection efficiency rate and the school expenses (less salaries).
6. Monthly loan payments will be extended into the upcoming forecasted year, as the model operates under the assumption of parallel loans.
7. Class gap analysis. The model assumes 100% transition from one class to the next

**Feedback from David meeting**

1. Accuracy of the data fed into the model to be confirmed
2. Should the 35% discount be maintained for all schools?
3. Basic credit decision to be based on one loan
4. Maintain the 65000 throughout
5. What the cashflows look like for all subsequent years
6. Base case: Not increasing students
7. Second – Flexing – If we increase cashflow
8. Different worksheets – If there is no increase
9. Add Base Case sheet
10. Add third line -
11. Impact if school does not grow
12. Simple base case to flex in different
13. What happens if you reduce the student count
14. What would the effect on the DSCR
15. Base Case – What is a good base case

Focus should be - What happens if nothing changes

1. Variants – Based on different changes
2. Whether students increase
3. The collection efficiency
4. DSCR - If we get below 1 unable to pay
5. Look into different scenarios on different scenarios
6. How sensitive the DSCR is to the various changes

Modelling to make it easy to show whether koan will be feasible

Which variables should we look at as the cautious scenario

What would have to happen that will make the school unable to pay the loan

If that went well; how this will translate to future tranches