



## Financials 1 - Illustrative Financial Model

This financial model (v12) has been prepared by Trevor Norris FCA.

Trevor has prior knowledge of Albani processes and constructed the original financial model. This model is not one that is fully integrated incorporating cash flow and balance sheet statements.

This version has been created for illustration purposes and is prepared as a snap-shot of transactions and income and cost flows over a purported year. The model has not been profiled to mimic a business start-up nor has any attempt been made to apportion income or costs into monthly rests but simply assumes that all transactions start and finish in one year. It does not take any account of cash-flow impacts.

No attempt has been made to assess the costs of establishing and managing the debt facility costs required to provide loan offers to house owners. **It is assumed that financing costs will be borne by the investor.** However, there are calculations to produce simple measures of returns which ignore any headroom required to account for delays in completion of house sales over 150 days (**Churn Rate**).

Overheads have been estimated by the business on a line-by-line basis for Y1 (business establishment) and therefore an additional amount has been included to take account of reasonable growth.

The reference to Tier One and Tier Two refers respectively to houses with a current market value up to £500,000 and those over £500,000. The model has been built to facilitate submissions to stress test the Core Proposition for CHAIN FREE® and CHAIN MENDER®: Investor Share 100% (**investor can submit required JV percentage**).

**IMPORTANT POINT:** Number of Enquiries: Y1 3,000 (investor can input variable number/**Predominant input to reduce/restrict Investment Required** (for Restricted Sales say Y1 300 with T&Cs for further funding)



## Financials 7.1 Financial Model Notes

1. **Financial Model – Core Proposition (19% CT)** Adjusted to 25% CT **See: BP Slide 21**
2. Click on Enable Editing. Save two copies. One to work on (the un-locked **INPUTS**) and the other copy so you can check back to see what my INPUTS were.
3. The key driver is Number of Enquiries on INPUTS: **Line 7** and Investor Share on INPUTS: **Line 16**.
4. **Financial Model - Restricted Sales (25% CT)** **IMPORTANT POINT** The key driver is Number of Enquiries at INPUTS: **Line 7** (3,000 Y1 Core Proposition changed to 300 Y1).
5. By reducing the Number of Enquiries in stages you will see in SUMMARY: **Line 10** your preferred/proposed investment to finance the business, subject to making an INPUT to Investor Share in **Line 16**.
6. Macro and Micro risk is controlled in real-time at various stages in the process/customer journey.
7. Definitions:
  - 6.1 EXIT: Customer does not draw-down Loan Offer (LTV) and sells house for more than LTV.
  - 6.2 NON-EXIT: Customer draws-down LTV.
  - 6.3 Off-MARKETS: Customer withdraws House from market for sale.
  - 6.4 RICS: Valuation by member Royal Institute of Chartered Surveyors; Valuation (after property inspection) for mortgage purposes.
  - 6.5 DataSource: Automated Valuation Model (AVM); Likely to be less than RICS.
  - 6.6 CHAIN FREE® Home Owners Plan™ (Plan): ALL members pay the 1% Fee
8. We have made no assessment of VAT or investor facility costs.
9. We have highlighted Y2 as the business will be more mature and not hampered by set-up costs and business flow relevant to a Y1 start up.



## Financials 7.2 Financial Model Notes

9. **See: BP Slide 19** Core Proposition *“what does the Funding Package 83.74% LTV to RICS Valuations indicate?”*

A portfolio of NON-EXIT houses with different LTVs (RICS Valuations).

9.1 See tab Workings Core:

**Lines 125 > 133**

9.2 INPUTS for LTV:

CHAIN FREE®

**Line 30:** (Houses > £500,000): 90% LTV

**Line 35:** (Houses £500,000 >): 85% LTV

CHAIN MENDER®

**Line 54:** (Houses > £500,000): 85% LTV

**Line 59:** (Houses £500,000 >): 80% LTV

10. Questions:

10.1 INPUTS: Anthony Apponyi

10.2 Methodology/Accountancy: Anthony will arrange Zoom with Trevor Norris.



## Extract from JV Business Plan

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No attempt has been made to assess the costs of establishing and managing the debt facility costs required to provide loan offers to house owners. It is assumed that such costs will be borne by the investor. However, there are calculations to produce simple measures of returns which ignore any headroom required to account for delays in completion of house sales over 20 weeks (**Churn Rate**).

Overheads have been estimated by the business on a line-by-line basis for Y1 (business establishment) and therefore an additional amount has been included to take account of reasonable growth.

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**IMPORTANT POINT:** Number of Enquiries: Y1 3,000 (investor can submit variable number / **Predominant input to reduce/restrict Investment Required** (for Restricted Sales say 300)).



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