



IDEAS | PEOPLE | TRUST

A group of five business professionals (three men and two women) are standing in a modern office with large windows. They are dressed in professional attire. One man in a grey suit is shaking hands with another man in a dark suit. A woman in a long beige coat is smiling and looking towards the group. Another woman in a grey checkered blazer and red pants is standing to the right. The floor is highly reflective, showing the people's reflections. A red vertical bar is on the right side of the image.

CAPABILITY OVERVIEW
**FINANCIAL MODEL
ASSURANCE SERVICES**

MAY 2020



FINANCIAL MODEL ASSURANCE SERVICES



KIRIT MISTRY

Partner, Head of Financial Model Assurance

AT A GLANCE

Our multi-award winning team is internationally recognised respected as a leading Player in the model assurance market.

We have over 20 years' experience of project finance and transactional due diligence.

We have supported over 2,000 projects worldwide, including model audits for many award-winning projects.

We have supported projects in all regions, with over 60% of our projects based outside of the UK, working with BDO's network of international member firms allowing us to provide local accounting and tax expertise.

RECOGNITION OF OUR WORK

- ▶ Winner, Due Diligence Provider of the Year 2018 – Europe and Africa IJGlobal Awards
- ▶ Winner, Due Diligence Provider of the Year 2018 - North America, IJGlobal Awards
- ▶ Global #1 Model Auditor by deal value and deal count for 2016, 2017, 2018 and 2019, IJGlobal league tables
- ▶ 37 IJGlobal award-winning projects in the past four years.

FINANCIAL MODEL ASSURANCE SERVICES

WHY BDO?

Our flexible model audit approach combines a comprehensive all-cells 'bottom up' review with a 'top down' analytical approach with elements of re-performance, focussed on key sector and project-specific risk areas.

We believe that our comprehensive methodology sets us apart from others offering model audit services. It allows us to deliver a premium, high quality service with maximum assurance that is trusted by senior financing parties and investors and leads to repeat instructions as a preferred service provider.

OUR TEAM

Our specialist team of qualified accountants and tax experts is the most experienced model audit team in the market with a combined aggregate experience of over 200 years in the team.

All our reviews are managed by an identified 'project lead', providing a dedicated day-to-day point-of-contact throughout the review, overseen by a senior team member to provide quality assurance on all our work product.

All our final reports and opinions are reviewed and approved by a partner, ensuring the highest level of assurance.

OUR CLIENTS

Our clients range from senior lending banks to investment funds, project sponsors working either independently or as a bidding consortia and public sector procuring authorities. We always make sure we fully understand our clients requirements and expectations on the assurance sought and are therefore able to offer a bespoke service tailored to your specific requirements.

THE BENEFITS OF AN 'ALL-CELLS' REVIEW

Re-performance (including testing by rebuilding) alone is not enough. This 'shadow modelling' will not identify latent issues in your model which may only become evident when its too late.

A model's inputs may be updated during a bid or financing, post-transaction or in an operational phase, and an 'all-cells' review approach ensures that latent formulaic issues can be identified at the earliest opportunity as these may not be apparent within the existing input dataset and assumptions.

We know that this twin methodology is stronger than a shadow modelling only approach, as it allows us to check that your model is sufficiently flexible and robust to withstand change. We believe that it is the model auditor's responsibility to provide you with clear assurance on a model's integrity and fitness for purpose.

We use professional diagnostic tools enable us to identify not only the unique calculations in the model, but also the consistency with which they have been applied.

Access to such tools, combined with our proven "all cells" methodology, means we will work through each calculation in the model and assess its consistency of application, together with evaluation of dependent of dependent formulae.



OUR 'TOP DOWN' ANALYTICAL REVIEW AND CALCULATION RE-PERFORMANCE

We capitalise on the team's extensive experience and in-depth sector knowledge in the analysis of key calculations and outputs. We tailor our analytical procedures to the project's risks, utilising techniques such as:

- ▶ Re-performance from first principles of key calculations where errors are commonly made, such as: indexation factors; interest calculations; working capital adjustments; and ratios
- ▶ Proof-in-total – calculating the expected totals for key outputs, such as revenue, opex, interest and tax, based upon the model's inputs and assumptions, and comparing our calculated proof-in-total results to the model's totals
- ▶ Trend analysis – graphical representation of key outputs over time, such as ratios, revenues, opex, interest expense and cash flow, to identify unusual trends
- ▶ Sense checking – assessing the outputs from the model to consider whether they appear consistent with expectations, based on the model's inputs and assumptions.

OUR OTHER FINANCIAL MODEL ASSURANCE SERVICES

As well as our comprehensive "all cells" approach, we also offer the following tailored financial model assurance options:

- ▶ Modelling Best Practice Reviews - a highly prescriptive review of a model against a defined set of modelling 'best practice' requirements. For example, these are specifically required for UK rail franchise bids
- ▶ Integrity Reviews - we offer a tailored 'Integrity Review', often combined with an "all cells" review of key elements of the model
- ▶ Bespoke assessments – a bespoke service where we can review as much or as little as you require.

OTHER SERVICES WE PROVIDE

FINANCIAL MODELLING

Financial, operational or cost forecast models built to exacting standards to meet your needs. BDO provides modelling support through the project lifecycle, across all aspects of structured and project finance, including renewable energy and PPP/P3 transactions, including:

- ▶ Bidder support for PPP bid submission and preferred bidder stages
- ▶ Business cases and investment appraisal
- ▶ Initial project financings
- ▶ Infrastructure acquisitions
- ▶ Refinancings
- ▶ Ongoing monitoring.

TRAINING

We can provide bespoke financial model training courses, led by our highly experienced Director of Modelling, to improve the skills and competency of your team to develop and update in-house financial models.

SPECIALIST ACCOUNTING AND TAX ADVICE

Both in the UK, and throughout the BDO International network, we can provide specialist accounting and tax support for your projects, and aid conversion of financial models, to comply with the latest tax (e.g. BEPS) and accounting (e.g. IFRS 9, 15 and 16) rules.

TRANSACTION SUPPORT

We can provide expert modelling support whether you're buying, selling or valuing an infrastructure asset or project. For example, we can assist you with developing vendor and acquisition models.

A SELECTION OF OUR AWARD-WINNING PROJECTS

2018

- ▶ [Al Dur Power & Water Company Refinancing](#) (IJGlobal MENA Refinancing Deal of the Year 2018)
- ▶ [Akuo Kita](#) (IJ Global African Solar Deal of the Year 2018)
- ▶ [Cory Riverside](#) (IJ Global European Waste Deal of the Year 2018)
- ▶ [Farabi Yanbu](#) (IJGlobal MENA Petrochemicals Deal of the Year 2018)
- ▶ [Gordie Howe International Bridge Project](#) (IJGlobal North American Roads Deal of the Year 2018)
- ▶ [Haren Prison PPP](#) (IJ Global European Social Infrastructure Deal of the Year 2018)
- ▶ [Rotterdam World Gateway Refinancing](#) (IJ Global European Port Deal of the Year 2018)
- ▶ [Royal Inland Hospital Patient Care Tower Project](#) (IJGlobal North American Social Infrastructure Deal of the Year 2018)
- ▶ [Salalah IWP](#) (IJGlobal MENA Water Deal of the Year 2018)
- ▶ [Acquisition of John Laing Infrastructure Fund](#) (IJGlobal European M&A Deal of the Year 2018).

2017

- ▶ [Coral South FLNG, Mozambique](#) (IJGlobal African Midstream Oil & Gas Deal of the Year 2017)
- ▶ [Acquisition of HS1](#) (IJGlobal European M&A Deal of the Year 2017)
- ▶ [Fort McMurray](#) (IJGlobal North American Transmission/ Distribution Deal of the Year 2017)
- ▶ [ILX Holdings II](#) (IJGlobal North American Upstream Oil & Gas Deal of the Year 2017)
- ▶ [Fadhili CHP](#) (IJGlobal MENA Power Deal of the Year 2017)
- ▶ [Paris-Sorbonne Campus PPP](#) (IJGlobal Social Infrastructure Deal of the Year 2017)
- ▶ [Ras Ghareb Wind Energy](#) (IJGlobal MENA Wind Deal of the Year 2017).

2016

- ▶ [Barakah Nuclear Energy Plant](#) (IJGlobal MENA Public Sector Financing Deal of the Year 2016)
- ▶ [Tengizchevroil Expansion](#) (IJGlobal European Upstream Oil & Gas Deal of the Year 2016)
- ▶ [London Gateway Port Phase 1 Refinancing](#) (IJGlobal European Refinancing Deal of the Year 2016)
- ▶ [ISTP2 Refinancing](#) (IJGlobal MENA Water Deal of the Year 2016)
- ▶ [Hassyan Clean Coal](#) (IJGlobal MENA Power Deal of the Year 2016)
- ▶ [Rabigh 1 IPP Refinancing](#) (IJGlobal MENA Refinancing Deal of the Year 2016)
- ▶ [Al Fujeij Wind Farm](#) (IJGlobal MENA Renewables Deal of the Year 2016).



- ▶ [LaGuardia Airport Central Terminal B Redevelopment Project](#) (IJGlobal North America Airport Deal of the Year 2016)
 - ▶ [Maryland Purple Line Light Rail](#) (IJGlobal North America Rail Deal of the Year 2016)
 - ▶ [Santiago Airport](#) (IJGlobal Latin America Airport Deal of the Year 2016)
 - ▶ [Zayed University](#) (IJGlobal MENA Social Infrastructure Deal of the Year 2015).
- 2015**
- ▶ [Galloper](#) (IJGlobal European Wind and PFI European Power Deal of the Year 2015)
 - ▶ [New Champlain Corridor Bridge](#) (IJGlobal North American Roads Deal of the Year 2015)
 - ▶ [Eglinton Crosstown LRT](#) (IJGlobal North American Rails Deal of the Year 2015)
 - ▶ [King Khaled International Airport District Cooling and Potable Water](#) (IJGlobal MENA Water Deal of the Year 2015)
 - ▶ [Salalah 2](#) (IJGlobal MENA Power Deal of the Year 2015)
 - ▶ [Jazan Air Separation Unit](#) (IJGlobal MENA Petrochemicals Deal of the Year 2015)
 - ▶ [Dolphin Energy](#) (IJGlobal MENA Refinancing Deal of the Year 2015)
 - ▶ [Azura-Edo](#) (IJGlobal African Multisourced Financing Deal of the Year 2015)
 - ▶ [Petro Rabigh 2](#) (PFI Middle East and Africa Petrochemicals Deal 2015).



A SELECTION OF OUR PROJECTS 2017 - 2019

Beatrice Refinancing

Beatrice Offshore Windfarm Limited

Neart na Gaoithe

Neart na Gaoithe Offshore Wind Limited

Mohammed bin Rashid Al Maktoum 950MW Solar Park Phase 4, Dubai, UAE

ACWA Power, Shanghai Electric, ICBC, Bank of China, Natixis, Standard Chartered, Union National and Agricultural Bank of China

Cameron LNG Refinancing, USA

Cameron LNG LLC

Innogy Grid Holding (IGH) Acquisition (50.04% Stake), Czech Republic

Macquarie Infrastructure and Real Asset

Hamriyah 1.8GW Gas-Fired Power Project, Sharjah, UAE

Sumitomo, GE, KfW IPEX, Norinchukin, SocGen, Standard Chartered, SMBC and SMTB

Electricity North West Limited (ENWL) (50% Stake)

Equitix and Kansai Electric Power Corp.

Adven Refinancing, Finland

Sisu Industrial Energy Solutions, NAB, SEB, Westpac, AXA IM, EdRAM, Siemens FS and La Banque Postale

Northwestern Hydro Additional Financing (55% Stake), Canada

Axiom Infrastructure, ManuLife, RBC and BNY

Shuqaiq 3 IWP, KSA

Marubeni, Acciona, CA-CIB, MUFG, SMBC, Sama, Norinchukin and National Commercial Bank

Welcome Break Refinancing

Welcome Break, AIB, Credit Agricole, ING, Investec, Lloyds, Santander and Scotiabank

Wightlink Ferry Services Refinancing

Wightlink, AIB, Banca Intesa Sanpaolo, Santander and SEB

Westerleigh Refinancing

Westerleigh, Lloyds and Export Development Canada

University of Leicester Student Accommodation PPP

Equitix and Assured Guaranty

University of York Student Accommodation PPP

Equitix, Assured Guaranty

West Bakr 250MW Wind Farm, Egypt

Lekela Power, IFC, EBRD, OPIC

Tampnet Refinancing, Norway

Tampnet, AIB, NAN, NIBC, RBC, RBS, Santander, Schroder and Vantage

Skaftåsen Onshore Wind Farm acquisition, Sweden

Foresight

Coriance Refinancing, France

First State, NAB, SEB, Westpac, AXA-IM, IFM and MEAG

Foresight Solar Fund 321MW Solar Portfolio Refinancing

Foresight Solar Fund

Facility D IWPP Expansion, Qatar

Umm Al Houli Power, JBIC, KfW, MUFG, SMBC, SMTB and Norinchukin

Azito Power Plant Expansion Phase 4, Cote d'Ivoire

Globeleq, IFC, AfDB, Proparco, EAIG, EDFI, BOAD, BIO and DEG

Irish Schools PPP Bundle 3 Refinancing, Ireland

BAM PPP PGGM, Bank of Ireland and EIB

Kikagati 14MW Hydro Plant, Uganda

Africa Renewable Energy Fund, EAIF and Netherlands DFC

Northwester 2, Belgium

Parkwind NV

Farabi Yanbu greenfield petrochemicals, Saudi Arabia

Farabi Yanbu Petrochemicals

Project Cape Refinancing, UK

Calvin Asset Management

Dudgeon Offshore Windfarm Refinancing, UK

Dudgeon Offshore Windfarm Limited

Gallopier Windfarm Refinancing, UK

Gallopier Wind Farm Limited

Trans Adriatic Pipeline ('TAP') Project, Greece, Albania, Italy

Trans Adriatic Pipeline AG

Haren Prison, Belgium

Cafasso NV, Macquarie, Denys, FCC

WIG Refinancing, UK

Wireless Infrastructure Group

Triton Knoll Offshore wind farm Project, UK

Triton Knoll

Gordie Howe International Bridge, Canada/USA

ACS, Fluor, Aecon

Nobelwind Refinancing, Belgium

Parkwind

Oslo Fjord Varme, Norway

Infranode I (No 1) AB

New Toronto Courthouse, Canada

EllisDon Capital Inc

Rotterdam World Gateway refinancing, Netherlands

Rotterdam World Gateway BV

Scandlines acquisition, Denmark

Hermes GPE LLP

A16 Rotterdam, Netherlands

Dura Vermeer

51.75MW Windfarm Project, Jordan

Abour Energy

Salalah IWP, Oman

ACWA Power

Suomi Gas Refinancing, Finland

Suomi Gas Distribution Oy

Adven Refinancing, Finland

Sisu Industrial Energy Solutions

LAX ConRAC, USA

Fengate, PCL

Moray Firth Offshore Windfarm, UK

Moray Offshore Windfarm (East) Ltd

Al Dur IWPP Refinancing, Bahrain

Al Dur Power and Water Co

Daehan 51.75MW Windfarm Project, Jordan

Daehan Wind Power PSC



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