

A close-up photograph of a woman wearing a white hard hat and clear safety glasses. She is smiling and looking slightly to the right. Her hair is blonde and styled in a braid. She is wearing a dark blue high-collared shirt. The background is a blurred outdoor setting. There are two vertical red bars on the left side of the image: one at the top and one at the bottom.

# BDO NATURAL RESOURCES & ENERGY

LOCAL KNOWLEDGE,  
GLOBAL PRESENCE

**BDO**

# CONTENTS

WELCOME .....	01
BDO – THE NATURAL CHOICE FOR NATURAL RESOURCES.....	02
YOUR SECTOR IS INTERNATIONAL – SO ARE WE.....	03
MINING.....	04
OIL & GAS.....	05
NATURAL RESOURCES SERVICES.....	06
PUBLIC INTEREST ENTITIES .....	07
RENEWABLE ENERGY .....	08
AGRIBUSINESS .....	09
BDO SERVICES.....	10



# WELCOME

You operate in a fast-moving and increasingly regulated market characterised by huge opportunities but also complex challenges: obtaining the right funding, volatile commodity prices, complex risk sharing mechanisms and rapidly developing technological changes, to name but a few.

To help ensure that you minimise these issues and maximise asset value, you should work with advisers who understand your sector, have the international reach to support your needs and, most importantly, share the same passion for what you do.

You should be working with BDO.



# BDO – THE NATURAL CHOICE FOR NATURAL RESOURCES



**N1:** BDO UK audits more Natural Resources & Energy listed companies (FTSE and AIM) than any other accounting firm.



**199+:** The number of Natural Resources & Energy companies we work with in the UK, across audit, tax, corporate finance and other advisory services.



**120+:** Partners and staff in the UK who spend 100% of their time working in the Natural Resources & Energy sector.



**Full spectrum:** We advise companies at all stages of their lifecycle, from early stage exploration companies to large, sophisticated producers.



**Ambition and success:** Our core market consists of ambitious companies with entrepreneurial management teams and a desire to succeed. This is how we see ourselves.



**Hands-on:** We spend time on-site with companies understanding their operations and getting to the heart of issues.



**One team:** Our extensive international network means we are where you are and we work across borders as one team.

## BDO INTERNATIONAL

**US\$9 billion**  
2017/2018 REVENUE

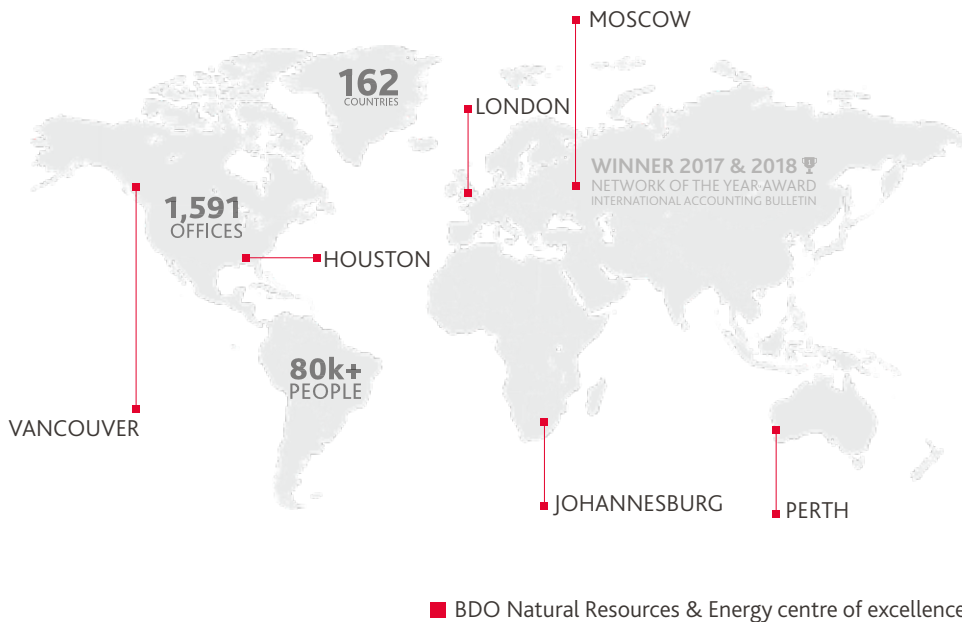
A YEAR ON YEAR INCREASE OF **8.3%**

**162** Countries  
**1,600** Offices  
**80,000** Staff

# YOUR SECTOR IS INTERNATIONAL – SO ARE WE

Natural Resources & Energy is one of the main focus sectors for BDO internationally. Our cross-border teams meet at least twice a year with the clear objective of ensuring cross-border client relationships and projects are effectively managed, client service is prioritised, sector knowledge is shared and, most importantly, that we continue to innovate for the benefit of the companies we work with.

## GLOBAL FOOTPRINT



“ Our UK office is one of BDO International's 6 centres of excellence for the Natural Resources & Energy sector. The UK team's sector knowledge, company credentials and market position is extremely well recognised. They deliver on their promises. ”

### SHERIF ANDRAWES

Natural Resources & Energy Sector Leader | BDO International



# MINING

Our mining specialists bring you the benefit of extensive sector experience, having provided services to more FTSE and AIM listed basic materials clients than any other accountancy firm<sup>1</sup>.

Working with the full spectrum of mining businesses means our teams travel to mine sites across the world, from Colombia to Siberia. To truly understand a company's business, we have to spend time with the people who run it on a day-to-day basis by getting out to site to see the operations. In doing so, we get to the heart of an issue quicker and provide more constructive and relevant advice.

We sponsor the 121 Mining Investment conferences, one of the largest dedicated mining investment events, connecting 100 mining corporates with over 400 institutional and sophisticated investors. We also regularly publish market analysis, financial reporting and tax guidance for the sector. Examples include Extracting Insights, an annual analysis of the performance of AIM-listed mining companies, and Industry Issues, monthly newsletters discussing sector developments.



“ Petra have worked with the BDO audit team for over ten years and we reappointed BDO following a competitive tender in 2017. The service we receive is excellent, driven by a senior team that invest time understanding our business and challenges to deliver an efficient and high quality audit. BDO have supported us through our significant expansion from being a junior miner to a leading independent diamond producer including multiple acquisitions, two high yield bond issues raising \$950m and capital market transactions by bringing the right expertise from across the firm and delivering robust yet practical advice. ”

**JACQUES BREYTENBACH**  
Chief Financial Officer | Petra Diamonds

## BDO's publications and events



**121 Mining:** BDO sponsorship of 121 Mining Investment conferences in London and Cape Town



**Extracting Insights:** BDO annual report on the performance of AIM-listed mining companies



**Miners & Diners:** BDO bi-annual networking lunches with mining sector executives



**Industry Issues:** BDO monthly bulletin on sector developments

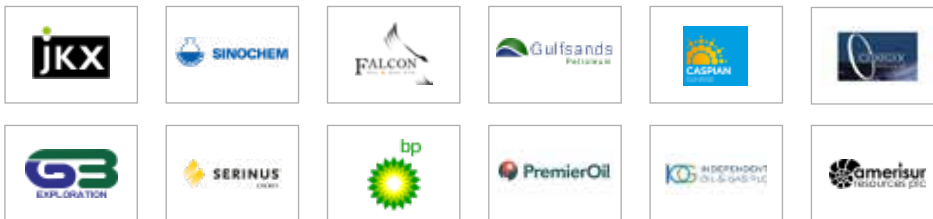
<sup>1</sup> Source: Adviser Rankings Limited

# OIL & GAS

Our oil & gas team's depth of industry knowledge is recognised in the market as we have been the number one adviser to AIM listed oil & gas companies for over 10 years<sup>2</sup>.

We work with a diverse range of companies in the sector, from private companies with early stage exploration assets to large, FTSE listed companies with multi-asset production.

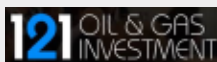
As a demonstration of our commitment to the sector, we sponsor the 121 London Oil & Gas Investment conference, which connects oil & gas corporates with over 400 institutional and sophisticated investors. Our market analysis and commentary for the sector covers a broad range of topics from market sentiment surveys, thought provoking future predictions as well as financial reporting and tax guidance tailored to the oil & gas market.



“ We appointed BDO as auditor in 2017, moving from Deloitte. We found the audit to be a refreshingly different experience. The transition process was smooth and effective and when accounting judgments arose during the audit, the partner and team provided valuable challenge whilst remaining practical so we could reach commercially sound but technically robust outcomes. BDO clearly understand the sector and listed market and we value the way they proactively help us navigate and respond to the changing regulatory environment. ”

**GUIDO MICHELOTTI**  
Chief Executive Officer | Cadogan Petroleum

## BDO's publications and events



**121 Oil & Gas:** BDO sponsorship of 121 Oil & Gas Investment in London



**Drilling Down:** BDO annual report on the performance of AIM-listed Oil & Gas companies



**Oil & Gas Dining Club:** BDO bi-annual lunch bi-annual networking lunches with Oil & Gas sector



**Industry Issues:** BDO monthly bulletin on sector developments

<sup>2</sup> Source: Adviser Rankings 2018



## NATURAL RESOURCES SERVICES

The services and facilities provided by the natural resources services sector are truly diverse and the companies operating within it have an international footprint that is usually as large, if not larger than those of the companies they themselves work with. This diversity and international focus sit squarely within BDO's skill set.

We work with companies who supply technology, information solutions, drilling and evaluation services, project management professionals, equipment and facility services to the natural resources sector. This is a broad market requiring advisers to have deep sector knowledge and experience, as well as the ability to think and deliver globally. BDO's international reach ensures we can provide professional services to sector companies in a way that mirrors their own corporate structures and operations.



“ BDO assisted our company with identifying and solving the integration and reporting challenges posed by a series of planned transactions. Their ability to quickly analyse the complex interrelated transactions and identify the key issues enabled us to find solutions in a timely manner. Their expertise and problem-solving capabilities provided immediate support and comfort to our finance team as we worked through the project. The team continue to be an invaluable resource, particularly in analysing complex technical issues. Their involvement greatly enhances our ability to clearly and timely communicate key financial and reporting data to our management team, external advisers and Board. ”

**SARAH GASCH**

Chief Financial Officer | Nautilus Marine Services Plc



## PUBLIC INTEREST ENTITIES (PIEs)

The market for PIEs continues to be under public and policymaker scrutiny due to its unique combination of features: a fundamental role in capital market transparency, potential conflicts of interest between audit and non-audit services, as well as the significant concentration of such entities working with a small number of large firms.

Legislation and regulation has and will continue to restrict the ability of professional services firms to provide audit and other services to such companies. As a consequence, PIEs are finding their choice of non-audit service providers to be constrained.

We audit FTSE 100 and FTSE 300 companies and provide non-audit services to some of the largest companies in the sector that are audited by other firms. Our work in this market, alongside the strength of our service offerings, makes our specialist team a clear viable alternative for PIEs that are finding it challenging to obtain the specialist services they need from other firms due to service provision conflicts.



“ We appointed BDO in 2018, with JKX having previously worked with PWC for many years. We found their approach refreshing. The team understand the oil and gas sector and difficult operating environments and they challenged us in a constructive way. BDO made promises and they stuck to them. ”

**BEN FRASER**

Chief Financial Officer | JKX OIL & GAS PLC



# RENEWABLE ENERGY

The renewable energy sector requires new ways of thinking about energy generation, new ways of working and new approaches to resource consumption. We use our breadth of experience to provide you with pragmatic advice and solutions that work in the real world.

The companies we work with operate within a wide range of technology classes, including onshore and offshore wind, solar, waste to energy, anaerobic digestion, biomass, emerging clean technology and energy efficiency, and work throughout Western Europe, the Middle East, the US and Africa.



“ BDO were a key part of the successful Greencoat UK Wind IPO team. They know the sector, have a commercial approach and identify the key issues which helps to get the job done. Ultimately, they understood our needs and all team members provided us with the exceptional level of service required to list a new business and open up a new asset class. ”

**STEPHEN LILLEY**  
Partner | Greencoat Capital

# AGRIBUSINESS

We provide assurance, tax and advisory services across the agriculture and soft commodities sector, working with a diverse mix of global companies.

The pace of change in the global agribusiness industry is increasing, with companies developing and operating on an international scale, and adopting technology and new innovation to ensure long-term financial success. Yet decisions must be made in an environment of increasing risk and uncertainty. The BDO international network spans developed, developing and emerging economies. This means you work with an extended team which has both a global reach and genuine local knowledge and specific agribusiness industry experience.



“ We work with BDO across many international jurisdictions given the global nature of our business. Wherever, whenever and on whatever we need BDO to advise us on, BDO are there. ”

**COLIN COPLAND**

Group Finance Director | Vestey Foods Group



# BDO SERVICES

Our dedicated team of Natural Resources & Energy specialists work across all parts of our business including audit, tax, corporate finance, forensics and advisory.

Our clients' success is personal to each and every one of the team, so we support our clients through every stage of their development. Our approach is the opposite of one size fits all; it is bespoke, it is client centric and most of all it is delivered by a team who live the sector with you, day in, day out.

On the following pages, we set out some of the services we provide to companies, individuals and governmental bodies working in the Natural Resources & Energy sector. This is not an exhaustive list, but provides an overview of the wide range of skills and expertise that we can provide to your business. We are happy to discuss your specific needs or services so we can tailor our offering and introduce you to the right people.

## AUDIT

Our deep sector and capital markets insight comes from auditing more FTSE and AIM listed Natural Resources & Energy companies than any other accountancy firm. Our specialist Natural Resources & Energy audit team consists of over 120 partners and staff entirely dedicated to the sector. Our team provide the following types of services:

- ▶ Statutory audit
- ▶ JV audits
- ▶ IFRS conversions
- ▶ Local GAAP conversions
- ▶ Board training
- ▶ Technical training and advisory
- ▶ Agreed upon procedures
- ▶ Corporate governance advisory
- ▶ Regulatory reporting
- ▶ 'Publish what you pay' advisory
- ▶ Integrated reporting advisory.



## TAX

Our Natural Resources & Energy tax specialists are part of our national tax practice which consists of over 60 partners supported by nearly 600 tax professional staff across the UK. We pride ourselves on providing tax services to almost a quarter of the FTSE 350.

Our dedicated team of Natural Resources & Energy tax practitioners combine their wealth of international tax experience with detailed sector knowledge. They work closely with their counterparts across our international offices to deliver a local service with international reach. Our team provide services in the following areas:

- ▶ Tax compliance
- ▶ International tax planning
- ▶ Transfer pricing
- ▶ Intangibles and R&D
- ▶ Tax investigations
- ▶ Global employer tax advice
- ▶ Employee share and incentives
- ▶ EIS/VCT advisory
- ▶ VAT advisory
- ▶ Tax risk and strategy
- ▶ Capital allowances.

## CORPORATE FINANCE

Our award-winning national corporate finance practice, consisting of 200 professional staff across the UK, have completed 428 transactions in 2018 with a total deal value of £21.8bn ranking number one M&A adviser in the UK1 and third leading due diligence provider in the UK2. We are active across all the UK capital markets having acted on more AIM IPOs than any other accountancy firm over the last five years and in the top three for transactions on the main market of the London Stock Exchange. We regularly work with BDO International firms on delivering services to companies operating in the Natural Resources & Energy sector. Our services include:

- ▶ Capital markets reporting accountant
- ▶ PLC advisory and Main Market Sponsor
- ▶ Financial modelling
- ▶ Financial due diligence
- ▶ Merger and acquisition advice
- ▶ Transaction support
- ▶ Financial reporting procedure reviews
- ▶ Market research.

<sup>1</sup> Source: #1 UK M&A adviser by deal volume – Experian 2018 adviser league tables

<sup>2</sup> Source: 3rd leading DD provider in the UK – Mergermarket league table report 2018



# BDO SERVICES

## FORENSIC

BDO's team of 17 partners supported by 200 professional staff across the BDO UK advisory stream have extensive experience of providing forensic services to the Natural Resources & Energy sector. BDO's international network has advisory teams in more than 100 countries across the world.

The team regularly provides expert services for international arbitrations, profit sharing, contract dispute and completion accounts cases and can provide expert witness services, valuation and fraud and corruption investigation and prevention services. We ensure a simple and practical approach for our clients by utilising proprietary technology within our work to enhance data mining and eDisclosure, bringing clear insight on issues. Our team provide the following types of services:

- ▶ Expert witness services
- ▶ Quantum determination for international arbitration
- ▶ Commercial dispute resolution
- ▶ Valuations
- ▶ PSA and cost reviews
- ▶ Fraud/corruption investigations
- ▶ Asset investigation and recovery
- ▶ Forensic technology and eDisclosure
- ▶ Anti-corruption and money laundering advice.

## MODEL ASSURANCE

BDO's award winning Financial Model Assurance team is internationally recognised as a market leader with over 20 years of project finance and transactional due diligence experience. We have supported over 2,000 projects worldwide including many oil, gas, LNG and pipeline projects. Our dedicated specialist team use best of breed diagnostic tools and well-developed processes for testing models. This ensures we innovate and create new ways to provide the required assurance on complex financial models. Through working collaboratively across BDO International we are able to support projects worldwide. Our team provide the following types of services:

- ▶ Bid and Financial Close Model audit and review
- ▶ Modelling best practice reviews
- ▶ Integrity and comfort reviews
- ▶ Operational model review and covenant monitoring
- ▶ Model development and updates
- ▶ Fund/Secondary market acquisition model due diligence.



## GLOBAL OUTSOURCING

When your business is global, your financial operations pose a twofold challenge. On the one hand, you want to streamline and centralise the finance function and on the other hand, you must ensure that your international subsidiaries comply with diverse national reporting regulations. Our global outsourcing specialists can take away the compliance and operational burden of managing and maintaining multi-jurisdictional books, records and filings.

The team provide the following types of services in all of BDO's 160+ jurisdictions and many other challenging, developing economies which are often rich in Natural Resource opportunities. We make complex operations as simple as possible working under a single, global agreement using sophisticated technology, such as Thomson Reuters Workflow Manager, to give you visibility and control of:

- ▶ Global compliance and reporting, including direct and indirect tax
- ▶ Global payroll
- ▶ Financial statement preparation in IFRS and local GAAP
- ▶ Company secretarial and regulatory compliance
- ▶ Back office finance function services.

## INTERNAL AUDIT

Internal Audit has always been one of the cornerstones of good corporate governance. However, increased regulation, greater public scrutiny and increased globalization have seen the importance of an effective internal audit function enhanced at Board, Audit Committee and Executive level. For large and small businesses alike, we design and deliver appropriate internal audit functions – from conducting a thorough assessment of risk across the organisation, to designing strategic internal audit programmes, to reporting findings to management, the board, and other stakeholders. We not only identify issues, but we work with management to implement tailored solutions and put the appropriate controls in place. Our team provides the following types of services:

- ▶ Full outsourcing of internal audit
- ▶ Co-sourced and partnership internal audit services
- ▶ Quality assurance reviews for, and training of, internal audit functions
- ▶ Process and internal controls consulting
- ▶ Continuous auditing monitoring
- ▶ Board and Audit Committee advice and training.



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