

A close-up photograph of a hand holding a black pen, pointing at a colorful bar chart on a document. The chart has bars in blue, yellow, and pink. The background is blurred, showing a person in a white shirt. A red vertical bar is on the left side of the image.

FINANCIAL MODELLING SERVICES

(Providing bespoke decision making
tools for business success)

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ABOUT US - AN OVERVIEW

Formerly known as BDO Haribhakti Consulting Private Limited, we are the Indian Member Firm of BDO - a worldwide network of public accounting firms.

We are proud to have developed and sustained client relationships for over five decades. Our efforts have culminated in Pan-India Network with a strong presence in every major business centre.

With 11 branches across the country and over 90 service offerings, we believe in being close to your business.

ABOUT BDO INTERNATIONAL

BDO International is a worldwide network of public accounting organisations, with offices in more than 110 countries. It is powered by more than 46,000 employees, worldwide. Wherever you are in the world, BDO is close to your business.

BDO International challenges the market model to provide a distinctively different option for clients all around the world. Through the BDO Network, BDO aspires to be a global leader providing tailor-made solutions to suit our clients' needs.

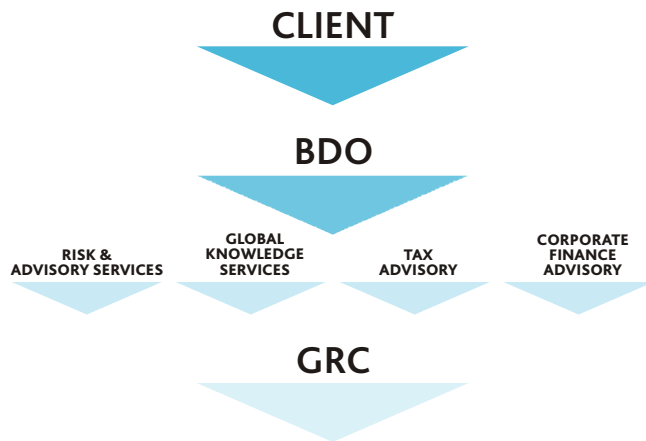
OUR SERVICE MODEL

Increased globalisation, an evolving regulatory and legal framework and emerging reporting standards are changing the way that business is conducted. The ongoing shift to an electronic governance environment with counterparty verification has made it imperative for businesses to ensure that they are able to truthfully record and report on their economic affairs.

At BDO, we use a platform-driven approach to assist our clients in developing a 360 degree understanding of their operating ecosystem and establishing a best-governed, risk managed and compliant operating environment (GRC).

In addition, we help our clients build a robust internal control environment using best in class control models. While developing sophisticated internal control models we build entity level controls, operating controls and anti-fraud controls to manage the fraud risk comprehensively.

Our goal, at its heart, is to guide businesses in their quest for the truth.





FINANCIAL MODELLING SERVICES

We at BDO provide two types of services in the sector

Building financial models

We build financial models as per the requirements of the client

Audit of Financial models:

We audit the models already built

The approach and experience of both services are detailed after

BUILDING FINANCIAL MODELS

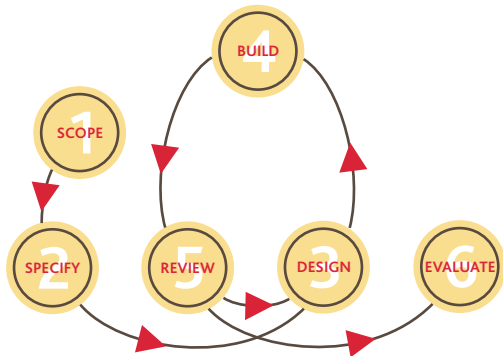
Highly experienced team of model developers

We know that financial models can be complicated. At BDO we design our models to be user friendly, flexible and tailored to your needs.

All of our models are built using our established best practice methodology and independently quality assured by our separate model review team.

Our team has extensive commercial, technical and financial knowledge and experience across a variety of sectors.

Our Model Build Approach



STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6
Develop an understanding of your business objectives and information requirements	Consider and define the strategic options in sufficient detail	Aim to produce the most efficient structure	Build the model to the specifications developed in previous steps	Business review of model functionality	Run strategic options/ scenarios
Develop project plan and scope document	Develop the model inputs and outputs and define the calculations	Build prototypes and templates for final review and discussion	Weekly progress updates	Analytical review of scenario results	Deliver reports and recommendations
Agree on project scope and determine project deliverables and timings				Technical review of model	Model hand-over and user training

► Model build experience

- Project finance, PPP projects, IPOs, business planning and operational forecasting, portfolio analysis, post-financial close reporting.

► Technical skills

- Advanced MS Excel and VBA Programming,
- Optimisation, Monte Carlo simulation.

► Sector experience

- Energy (including alternative energy), oil and gas, mining, infrastructure, construction & materials, waste management, property, retail and leisure, environmental projects, healthcare, finance, telecoms, FMCG.



AUDIT OF FINANCIAL MODELS: OUR APPROACH

Our approach

A routine, mechanical approach will not suffice in complex financial model audits. Each project presents a particular set of challenges and risks, and our approach is tailored to meet those needs.

We start by ensuring we understand the project requirements fully, as well as the model structure. This allows us to understand a project's key rationale and contractual issues, and appreciate model outputs in the context of these commercial objectives. To be effective a model audit must include analytical procedures performed at a senior level, in addition to technical code review.

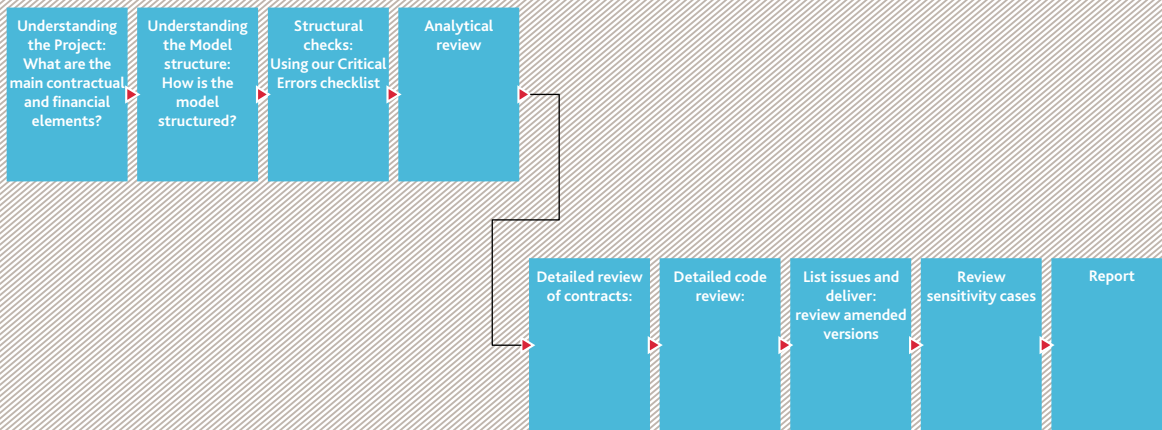
We have recently introduced a new level of structural checks into our procedures. From experience including providing expert evidence in relation to professional negligence claims, we have identified certain critical errors that occur in models and devised specific checks to test models in these areas.

We also detect errors in the coding and inconsistencies between the model and the principal documentation.

OUTLINE OF OUR MODEL AUDIT/REVIEW APPROACH

BDO's Approach

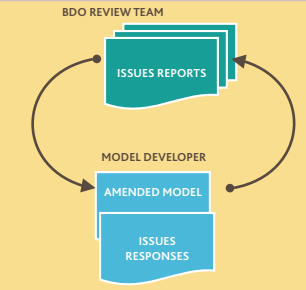
We explain our approach as follows:



OUTLINE OF OUR MODEL AUDIT/REVIEW APPROACH

Understanding the Project	We obtain all relevant background information, and make a detailed review of relevant parts of the Project Agreements dealing with revenues and costs (including indexation and any foreign exchange factors), as well as the funding arrangements from the Finance Agreement or Term Sheet.
Understanding the model structure	We examine the structure and layout of the model, tracing the flow of input data through the calculations to the outputs. This gives us a good understanding of the model, identifying the most complicated calculations and other areas where there may be a higher risk of material error, and helps us plan an effective programme of detailed model audit checks.
Structural tests	We carry out a series of checks for specific critical errors. These include tests on accounting standards for revenues and costs, indexation of revenues and costs, taxation, foreign exchange factors, and the aggregation or consolidation of figures.
Analytical review	Here we focus on calculation results and model outputs. We use a variety of techniques to test specific parts of the model: trend analysis (including graphing), re-performance of calculations using a different method to that used in the model, and tests for reasonableness, using our wide experience and our understanding of the project.
Detailed review of contracts	Our review of contracts and other documentation will include all the major commercial contracts which for PPP projects will include the Concession Agreement, EPC, Hard FM and Soft FM Contracts. Our aim is to examine the critical commercial terms such as the Payment Mechanism as early as possible. Our other main focus is on the financial contracts including the Term Sheet, and Facility Agreement or Collateral Deed, Common Terms Agreement, Accounts Agreement, Fees Letters and Hedging Agreements. We will also check the Assumptions Book and Model Guide (if relevant).
Detailed code review	Our specialist code review team work to a detailed review programme, prepared following our examination of the model structure. They check for a wide range of potential errors that could affect a particular cell or range, using specialist software and our own analytical toolkits.

OUTLINE OF OUR MODEL AUDIT/REVIEW APPROACH

<p>Dealing with errors</p>	<p>We will review the model and provide an issues report listing matters for your attention. To help you in prioritising your responses, we categorise issues as being:</p> <ol style="list-style-type: none"> 1 Errors 2 Potential errors 3 Questions that we raise 4 Undocumented or hidden assumptions 5 Design issues. <p>We will then review a second version of the model, examining changes, taking note of your responses and clearing issues. Our issues report will be updated (and any new issues added).</p> <p>The process is repeated for successive versions of the model, as amendments are made and model development continues.</p>	 <p>The diagram illustrates the iterative process between the BDO REVIEW TEAM and the MODEL DEVELOPER. The BDO REVIEW TEAM generates ISSUES REPORTS, which are sent to the MODEL DEVELOPER. The MODEL DEVELOPER then produces an AMENDED MODEL, which is sent back to the BDO REVIEW TEAM. Additionally, the BDO REVIEW TEAM provides ISSUES RESPONSES to the MODEL DEVELOPER, completing the cycle.</p>
<p>Review of sensitivity cases</p>	<p>When the base case model has been 'locked down' (no longer subject to any material changes) we then test sensitivity cases. We review outputs from each case, to check that changes are those that we would expect as a result of the input changes, and that no unintended changes have occurred. Our standard checks include comparing the detailed cash flows with the base case and ensuring all error checks are satisfactory.</p>	
<p>Final report</p>	<p>As our work nears completion, we provide you with a draft report, allowing you to see in advance issues we intend to raise. We will discuss these with you finalise our report shortly afterwards.</p>	



OUR TEAM AND APPROACH TO WORKING WITH YOU

Our project team offers strength in depth, combining extensive experience in project finance, financial modelling and public sector projects. We are confident that this offers an excellent combination of skills, knowledge and experience.

Communications

We will respond promptly and be flexible when faced with demanding project deadlines.

We are well used to projects with deal teams across different time zones

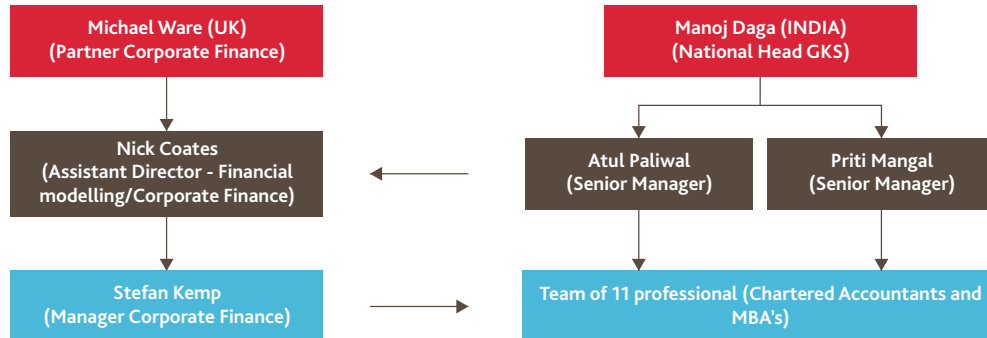
Progress reports

We will call or email each week (or more frequently as needed) to keep you informed of progress. Issues raised during in our review will be forwarded to you at intervals of two to three days.

Near the completion of each stage of our work, and before we finalise our report, we will either meet or arrange a call with the project managers and/or lenders, to explain the impact of issues raised and the risks associated. We will also provide in advance of meetings a draft copy of our reports for consideration.



TEAM



We have similar structure for model build services, we work closely with the financial modeling team in UK



OUR EXPERIENCE

TYPE OF MODELS

- ▶ Project finance and IPOs
- ▶ Operational forecasting
- ▶ Portfolio analysis
- ▶ PFI/PPP models
- ▶ Post financial close reporting
- ▶ Budgeting
- ▶ Mergers and Acquisitions
- ▶ Valuations

SECTOR EXPERIENCE

- ▶ Energy – including alternative energy
- ▶ Waste management
- ▶ Mining
- ▶ Retail and Leisure
- ▶ Environmental projects
- ▶ Healthcare
- ▶ Infrastructure
- ▶ Finance
- ▶ Construction and materials
- ▶ Aerospace and Defence



INTERNATIONAL MODEL AUDIT EXPERIENCE



Fire Services PPP for Greece



Project Bucks (Waste Management for UK)



Project A12 (Road project for Netherland)



Container Project for Belgium



Hospital Project in Canada



Project Nottingham (UK, project for Special Treatment)



Glastonbury: Hospital Project for UK



Search and Rescue Project for UK



Airport project for Brussels

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