

INVESTOR-READY FINANCIAL MODEL · MODEL REVIEW

Model Review report

Lumen_Software_Model_v14_2026-10-03.xlsx, v14, received 6 October 2026

Opinion: **Fit with fixes**

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- 1

The structure is sound: inputs, schedules and statements are separate and on one monthly timeline, so the model is worth fixing rather than replacing.
- 2

Two Critical integrity findings mean the cash line cannot be relied on today: the balance sheet is forced to balance by a plug, and the cash flow ignores working capital.
- 3

Revenue is a flat growth rate, churn is missing, the downside is base minus 10% and there is no runway view, so the model cannot yet answer the questions investors will ask.

Findings by severity

Critical	2
High	4
Medium	6
Low	2
Observation	1

Fix effort

Medium overall. Seven small fixes, seven medium, one large (revenue drivers). Well under half of a new build.

Recommended next step

Fixes 1–9 as a scoped job by Numeriq, or inside an Investor-Ready Financial Model build that keeps the current structure and adds the revenue drivers, scenarios and Runway View (fixes 10–15). Your team can take the Low items.

Key findings

Critical and High first. Full detail and the remaining findings are in the error log.

Critical I-01 · Accounting

Balance sheet balanced by a hard-coded plug.

Row 38 of the balance sheet, "Other liabilities", is a typed series that grows from €41k in October 2026 to €412k by December 2027. It is the difference between assets and liabilities, not a real balance. With the plug removed, the balance sheet is out in every forecast month. The gap comes from the deferred-revenue movement and capex not reaching the balance sheet.

Critical I-02 · Linking

Cash flow not linked to working capital.

On the cash-flow statement, the movements in receivables, payables and deferred revenue (rows 18–20) are typed as zero in every forecast month. Cash flow therefore equals EBITDA less capex. With 45 days' receivables on a growing revenue line, this overstates closing cash by about €0.6m at June 2027 on the base case.

High A-01 · Commercial logic

Revenue is a growth rate, not drivers.

Subscription revenue grows at a flat 4% a month from October 2026 (Revenue!C9), with no new logos, pricing, expansion or churn behind it. Services revenue is a fixed percentage of subscriptions.

High A-02 · Commercial logic

Churn is missing.

No logo or revenue churn exists anywhere in the model. Net revenue retention is implicitly above 100% in every month.

High SC-01 · Structural

Downside is base minus 10%, on the summary sheet only.

The downside case is revenue $\times$ 0.9 applied on Summary!C14:AH14. Costs, hiring, working capital and the round date are unchanged, and the scenario switch does not reach the schedules. There is no upside and no stress test.

High O-01 · Control/documentation

Runway is not computed.

The summary shows a monthly cash balance and nothing else: no minimum cash level, no cash-out date, no lowest-cash month, no funding need, no runway per scenario.

Integrity and controls

TEST	RESULT	COMMENT
Balance sheet balances, all periods	Fail	Balances only because of the plug in row 38 (I-01)
Balance sheet cash = cash-flow closing cash	Pass	Linked correctly; the cash-flow figure itself is wrong (I-02)
Opening cash ties to bank	Pass	€2.2m at 30 September 2026 agrees to the bank statements provided
History ties to annual accounts	Pass	January 2025 to August 2026 ties to the trial balance; 2025 ties to the filed jaarrekening
Circular references	None	Interest is on opening cash; no iteration needed
Scenario switch drives all schedules	Fail	Switch reaches the summary sheet only (SC-01)
Master check present	No	One balance check exists and reads zero because of the plug (C-01)

Fix list and route forward

#	FIX	SEVERITY	EFFORT	WHO
1	Remove the balance-sheet plug; link deferred revenue and fixed assets from their schedules; add a balance check (I-01)	Critical	M	Numeriq
2	Build a working-capital schedule and link it to the cash flow; add a cash check (I-02)	Critical	M	Numeriq
3	Add a master check that sums every check to zero (C-01)	Medium	S	Numeriq
4	Move tax rate, VAT rate and prices out of formulas into the inputs sheet (F-01)	Medium	S	Numeriq
5	Restore the overwritten formula in Opex!F31 and re-run the row-consistency test (F-02)	Medium	S	Numeriq
6	One employer-cost assumption per role group; tie payroll to headcount × salary (I-03)	Medium	S	Numeriq
7	Move inputs typed into the Revenue and Cash sheets to the inputs sheet; one scenario selector (S-02)	Medium	M	Numeriq
8	Extend the Q4 2027 annual sum to include December; add an annual = sum of months check (O-02)	Low	S	Your team
9	Add a cover sheet with version, author and change log (S-01)	Low	S	Your team
10	Rebuild subscription revenue from pipeline, pricing, expansion and churn; services from capacity (A-01)	High	L	Numeriq
11	Add a churn schedule by cohort from the customer-month export (A-02)	High	M	Numeriq
12	Log every assumption with source and owner in an Assumptions Book (A-03)	Medium	M	Numeriq + your team
13	Define the downside across several drivers; one switch driving every schedule; add upside and stress tests (SC-01)	High	M	Numeriq
14	Add a Runway View per scenario against an agreed minimum cash (O-01)	High	M	Numeriq
15	Add a KPI sheet (ARR bridge, burn multiple) so deck numbers tie to the model (OB-01)	Observation	M	Optional

Recommended route: we rebuild only what is broken as part of an Investor-Ready Financial Model build. Fixes 1–9 make the current file safe; fixes 10–15 are the core of the build. The existing structure stays.

Error log

ID	LOCATION	DESCRIPTION	SEVERITY	EFFORT
S-01	Workbook	No cover sheet; no change log; version only in the file name	Low	S
S-02	Revenue!C8:C14; Cash!B2; Summary!C3	Prices and growth rates typed inside the Revenue sheet; three scenario selectors in three places	Medium	M
F-01	P&L!row 42; WC!row 12	Corporate tax rate (25.8%) and VAT (21%) hard-coded inside formulas	Medium	S
F-02	Opex!F31	Formula overwritten by a constant in March 2027; row formula breaks from that column	Medium	S
I-01	BS!row 38	"Other liabilities" is a typed plug that forces the balance sheet to balance	Critical	M
I-02	CF!rows 18–20	Working-capital movements typed as zero; cash flow = EBITDA – capex	Critical	M
I-03	Payroll!rows 20–34	Employer costs applied as a flat 18% in some months and omitted in others; payroll does not tie to headcount × salary	Medium	S
A-01	Revenue!C9	Subscription revenue grows at a flat 4% a month; no logos, pricing, expansion or churn	High	L
A-02	Revenue sheet	No logo or revenue churn anywhere	High	M
A-03	Inputs sheet	No source or owner for any assumption	Medium	M
SC-01	Summary!C14:AH14	Downside = base revenue × 0.9 on the summary only; costs, hiring, working capital and round date unchanged; no upside or stress tests	High	M
O-01	Summary sheet	No minimum cash, cash-out date, lowest cash, funding need or runway per scenario	High	M
O-02	Summary!AI20:AI36	Q4 2027 annual total excludes the December column	Low	S
C-01	Checks sheet	One balance check only; no master check; the check reads zero because of the plug	Medium	S
OB-01	Workbook	No KPI sheet; ARR, burn multiple and payback are calculated in the deck, not the model	Observation	M