JUPITER PRIME

Consulting • Training • Advisory

جوبيتر برايم للاستشارات والتدريب

COURSE BROCHURE

Debt Covenant Compliance and Accounting Policy Impact Training Course

13 – 17 June 2027
Online

Debt Covenant Compliance and Accounting Policy Impact Training Course

Ref: 2450_92618 **Date:** 13 – 17 June 2027 **Location:** Online **Fees:** 1900 GBP

Debt Covenant Compliance and Accounting Policy Impact is a 1-week training course for finance managers and senior accountants who link reported results to lender tests, gearing and the cost of capital, building a corporate financial management review. Accounting choices now move covenant ratios as much as trading does, so finance teams must see the funding effect before they book. Jupiter Prime Training delivers this course on Debt Covenant Compliance and Accounting Policy Impact.

Why Debt Covenant Compliance and Accounting Policy Impact Matters Now

Three forces shape this subject today. Lenders write tighter covenants and ask for frequent compliance certificates. Changes in accounting standards for leases, revenue and financial instruments shift reported debt, EBITDA and equity without any change in cash. Boards and audit committees expect finance to explain headroom, not just report it. Covenant definitions in each facility agreement, not reporting standards alone, decide every test. Handled well, an organisation renegotiates from strength; handled badly, it finds a breach at quarter end and loses room to invest.

Who Gains Most from Debt Covenant Compliance and Accounting Policy Impact

- Finance managers who prepare covenant calculations and compliance certificates
- Senior accountants who select and document accounting policies and judgements
- Treasury leads who negotiate facility terms, waivers and amendments with lenders
- Financial controllers who own working capital reporting and period-end close
- Planning leads who forecast leverage, interest cover and funding needs

Finance functions gain most when reporting, treasury and planning members attend together.

Debt Covenant Compliance and Accounting Policy Impact Capabilities

Participants trace each covenant ratio to the ledger entries and policies behind it.

- Calculate leverage, interest cover and net worth ratios from facility definitions — compliance certificate sign-off
- Assess how a proposed accounting policy change shifts covenant headroom — chief financial officer approval
- Weigh working capital actions against reported debt — treasury and lenders
- Estimate the weighted average cost of capital under alternative gearing levels — investment hurdle setting
- Build a rolling headroom forecast with triggers — audit committee oversight
- Communicate covenant position and amendment options — board and relationship banks

Key Debt Covenant Compliance and Accounting Policy Impact Terms

- Financial covenant — A ratio in a loan agreement the borrower must meet at each test date.
- Covenant headroom — The gap between the actual ratio and the covenant limit.
- Frozen GAAP clause — A facility term fixing covenant calculations to the accounting rules in force when the loan was signed.
- Consolidated EBITDA — Earnings before interest, tax, depreciation and amortisation as the facility agreement defines it.
- Equity cure — A shareholder injection the agreement allows to repair a ratio that would otherwise fail its test.
- Weighted average cost of capital — The blended return required by lenders and shareholders, weighted by their share of total funding.

Debt Covenant Compliance and Accounting Policy Impact Day by Day

Day 1: Reading the Facility Agreement

- Covenant Definitions Schedule — Which Ledger Lines Feed Each Ratio
- Leverage and Interest Cover Tests — Choosing Test Dates and Periods
- Permitted Adjustments and Add-Backs — Defending EBITDA Before Lenders
- Frozen GAAP and Reset Clauses — Handling New Accounting Rules
- Events of Default and Cross-Default — Escalation Paths Within the Group

Day 2: Accounting Policies That Move Ratios

- Lease Capitalisation Effects — Reported Debt Versus Covenant Debt
- Revenue Recognition Timing — Quarter-End Earnings and Cover Ratios
- Capitalising Versus Expensing Costs — Trade-Off Between EBITDA and Assets
- Provisions and Estimates — Judgement Disclosure and Auditor Challenge
- Hedge Accounting Choices — Volatility in Equity and Net Worth Tests

Day 3: Working Capital and Funding Structure

- Cash Conversion Cycle Analysis — Releasing Cash Before Test Dates
- Supply Chain Finance and Factoring — Debt Classification Risk
- Gearing Scenarios — Balancing Debt Capacity Against Flexibility
- Cost of Debt and Equity Estimates — Setting the Investment Hurdle
- Dividend and Capex Restrictions — Sequencing Shareholder Returns

Day 4: Headroom Forecasting and Lender Dialogue

- Rolling Headroom Model — Twelve-Month View of Each Test
- Sensitivity and Stress Cases — Which Driver Breaks First
- Compliance Certificate Pack — Evidence Trail for Each Figure
- Waiver and Amendment Requests — Timing and Negotiating Position
- Performance Reporting to the Board — Linking Ratios to Strategy

Day 5: Practising the Corporate Financial Management Review

- Policy Impact Assessment on a Case Group — Applying Day Two Methods
- Working Capital Release Plan — Applying Day Three Cash Levers
- Headroom Stress Test on Live Figures — Applying Day Four Modelling
- Peer Challenge of Covenant Calculations — Spotting Definition Errors
- Corporate Financial Management Review — Final Draft for the Finance Director

Applying Debt Covenant Compliance and Accounting Policy Impact After the Course

- Map each covenant ratio in the main facility to its ledger accounts in one owned workbook.
- Run a headroom stress test before the next test date and share it with treasury.

Debt Covenant Compliance and Accounting Policy Impact Questions FAQ

What is Debt Covenant Compliance and Accounting Policy Impact and why does it matter now?

It is the discipline of linking accounting choices to the loan ratios lenders test. It matters now because new reporting rules and tighter facilities can push a sound business towards breach with no change in cash.

Which roles gain most from Debt Covenant Compliance and Accounting Policy Impact?

Finance managers, senior accountants, controllers, treasury leads and planning leads gain most. You benefit if you prepare compliance certificates, choose policies or forecast leverage.

How does Debt Covenant Compliance and Accounting Policy Impact differ from a capital structure course?

It starts from the ledger and the facility agreement rather than from strategy. A capital structure course sets the ideal funding mix; this one tests whether reported figures stay within limits lenders already set.

What do you bring back from Debt Covenant Compliance and Accounting Policy Impact?

You bring back a corporate financial management review for your own organisation. It holds a covenant calculation map, a policy impact assessment and a headroom forecast.

Debt Covenant Compliance and Accounting Policy Impact: The Way Forward

The corporate financial management review gives the finance director one place to see covenant headroom, the policy choices that move it and the cash levers that protect it. Its first use is the decision on whether to seek a waiver or adjust working capital before the next test date. Treasury and planners share it; its stress cases deserve a fresh look after each refinancing.