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COURSE BROCHURE

# Group Reorganisation and Carve-Out Accounting Training Course

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**jupiterprime.uk**
info@jupiterprime.uk
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# Group Reorganisation and Carve-Out Accounting Training Course

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Group Reorganisation and Carve-Out Accounting is a 1-week training course for finance directors and corporate development staff who prepare subsidiary mergers, hive-downs and separations, and who leave with a group reorganisation finance plan. Shareholders, lenders and auditors now expect each change to a group structure to be reported consistently and funded deliberately. The course from Jupiter Prime Training links structural choices to the numbers that follow them.

## Why Group Reorganisation and Carve-Out Accounting Matters Now

Groups are simplifying legal structures, preparing businesses for sale and moving activities into new holding companies. Three groups watch each step closely: lenders, who test covenants on the new perimeter; buyers and investors, who want carve-out figures they can rely on; and auditors, who challenge book-value and fair-value choices for transfers under common control. Handled well, reported equity and cash pooling stay intact; handled poorly, restatements, trapped cash and stranded costs follow. The course rests on the applicable international financial reporting standards for consolidation, business combinations and separate financial statements.

## Who Gains Most from Group Reorganisation and Carve-Out Accounting

- Group financial controllers responsible for consolidation perimeters and elimination entries
- Corporate development staff shaping hive-downs, spin-offs and subsidiary mergers
- Treasury leads who set intra-group loans, cash pools and recharges
- Technical accounting specialists who choose predecessor or acquisition accounting
- Finance business partners who build stand-alone cost bases for separated units

A group finance function sending its controller, treasury and corporate development leads together gains most, since each decision crosses all three desks.

## Group Reorganisation and Carve-Out Accounting Capabilities

Participants work through transfers of entities between parents, separations of divisions and the funding that follows, using manufacturing and telecoms group structures.

- Assess whether a transfer falls under common control — the choice of accounting method
- Apply book-value and fair-value approaches to subsidiary mergers — reported group equity
- Build carve-out financial statements with allocated costs — buyers and lenders
- Design intra-group loan and recharge terms — treasury and tax advisers
- Calculate stranded costs and transitional service charges — the separation budget
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Communicate perimeter changes and restated comparatives — audit committee and board

## Key Group Reorganisation and Carve-Out Accounting Terms

- Common control — a situation where the same party ultimately controls all combining entities before and after the transfer.
- Predecessor accounting — recording transferred assets and liabilities at the carrying amounts already shown in the controlling party's accounts.
- Carve-out financial statements — historical accounts prepared for a business never run as a separate legal entity.
- Hive-down — moving a trade and its assets into a new or existing subsidiary, often before a sale.
- Transitional services agreement — a contract under which the former parent supports a separated business after closing.
- Stranded costs — overheads left with the remaining group once a separated business no longer absorbs them.

## Group Reorganisation and Carve-Out Accounting Day by Day

## Day 1: Group Structures and the Reasons to Reorganise

- Legal Entity Structure Charts — Mapping Ownership Chains and Minority Interests
- Reorganisation Drivers Matrix — Simplification, Disposal Readiness or Funding Access
- Consolidation Perimeter Review — Which Entities Enter or Leave the Group
- Control Assessment Tests — Confirming Who Directs the Relevant Activities
- Stakeholder Impact Grid — Lenders, Minority Holders and Employees Affected

## Day 2: Accounting for Transfers Under Common Control

- Common Control Identification — Whether Business Combination Rules Apply
- Predecessor Carrying Amounts — Choosing Book Values Over Fair Values
- Merger Reserve Entries — Treating Differences Between Consideration and Net Assets
- Comparative Period Presentation — Restating or Applying From Transfer Date
- Separate Entity Accounts — Measuring Investments in Subsidiaries After Transfer

## Day 3: Carve-Outs and Separation Figures

- Carve-Out Perimeter Definition — Which Assets, Contracts and Staff Move
- Shared Cost Allocation Keys — Headcount, Revenue or Usage Drivers
- Stand-Alone Cost Base — Adjusting for Overheads the Business Must Replace
- Transitional Services Pricing — Cost-Plus Charges and Exit Timetable
- Stranded Cost Tracker — Removing Overheads Left With the Remaining Group

## Day 4: Intra-Group Funding After the Change

- Intra-Group Loan Agreements — Arm's Length Rates and Repayment Terms
- Cash Pool Redesign — Notional or Physical Pooling for the New Perimeter
- Dividend Capacity Test — Distributable Reserves Before Upstream Payments
- Covenant Perimeter Check — Guarantor Coverage and Lender Consent Needs
- Elimination Entry Templates — Removing Intra-Group Balances on Consolidation

## Day 5: Practising the Group Reorganisation Finance Plan

- Common Control Case — Merging Two Telecoms Subsidiaries at Book Value
- Carve-Out Case — Preparing Accounts for a Manufacturing Division Sale
- Funding Case — Rebuilding Loans and Cash Pool After a Hive-Down
- Board Paper Drafting — Explaining Restated Comparatives and Equity Effects
- Group Reorganisation Finance Plan — Steps, Entries, Funding and Owners

## Applying Group Reorganisation and Carve-Out Accounting After the Course

- Run a control assessment and predecessor accounting memo for the next planned entity transfer in the group.
- Build a shared cost allocation and stranded cost tracker for any division being prepared for sale.

## Group Reorganisation and Carve-Out Accounting Questions FAQ

### What is group reorganisation and carve-out accounting and why does it matter now?

It is the accounting for moving entities within a group and for separating businesses from it. It matters now because groups restructure more often, and lenders, buyers and auditors test the resulting figures.

### Which roles gain most from group reorganisation and carve-out accounting?

Group controllers, treasury leads, technical accountants and corporate development staff gain most. You benefit most when your group plans a subsidiary merger, hive-down or disposal.

### How does group reorganisation and carve-out accounting differ from a course on debt restructuring?

It deals with changes to the ownership structure inside a solvent group, not with renegotiating borrowings with creditors. Its focus is common control transfers, carve-out figures and intra-group funding.

## What do you bring back from group reorganisation and carve-out accounting?

You bring back a structured plan for one reorganisation in your own group. It sets the accounting method per transfer, the carve-out cost base and the funding changes.

## Group Reorganisation and Carve-Out Accounting: The Way Forward

The group reorganisation finance plan sets out each structural step with its entries, funding and owner. Its first use is deciding whether a transfer is recorded at book value or fair value. Group controllers, treasury and corporate development staff share it with auditors and lenders. After the first transaction closes, revisit the cost allocation keys and the stranded cost estimates against what actually happened.