

Restructure Tax and Accounting Advisor

Maritime Entity

1 SITUATION

Deloitte was engaged to provide accounting and tax advisory services to a maritime entity, who was undertaking a restructure and demerging, resulting in the operation of two separate entities, as well as the sale of another entity. Deloitte was brought on to support their restructure and reform program, from strategic review to separation of Operations and Assets, balance sheet restructure, capitalisation and stand-up of the new entity.

2 SOLUTION

Working alongside the key stakeholders, we undertook an accounting review of the organisation, including long term contracts, assets, liabilities and related transactions to understand operations and the options for reform - included deep-dive on the Corporate Plan to determine solvency, liquidity and areas of most significant accounting, tax and financial risks and opportunities. Following this, we undertook a separation analysis and execution to enable the new entity to be stood up. Deloitte also provided the interim support arrangements for the new entity including the establishment of a stand-alone ERP system.

3 OUTCOME

The work was delivered in a very complex stakeholder environment as well as during commercial negotiations with bidding parties & working alongside other advisors (commercial, legal etc). The new entity was set up on a firm financial footing with robust accounting and tax functions in place. Other key outcomes included:

- Accounting steps for ringfencing and balance sheet restructure for the new entity, ensuring clarity of scope, governance, financing and accounting as a discrete subsidiary.
- Separation planning and execution to enable legal separation of the new entity – including accounting and tax diligence, operational finance separation (including development of ERP and shared service & transitional support arrangements).
- Production of key technical accounting papers and liaison with auditors on issues including common control transactions in respect of balance sheet restructure, consolidation of operations, assets and liabilities under AASB 10 consolidated financial statements.

