JORDANS

Rationalise your group structure

Large corporate group structures need to be reviewed regularly to ensure they are efficient, fit for purpose and do not become an unnecessary burden on management and the group companies within them.

A review and overhaul of a group structure can deliver cost savings, reduce the management time required to run them, improve cash movements within a group, align the corporate structure with the group's operations and improve and maintain high standards of corporate governance.

Kick-starting the change

A reorganisation may be an ongoing programme of changes, or a one-off exercise following a particular event. Typically there will be a driver to kick-start the exercise. The most common we see are:

- Following acquisition – the aftermath of an acquisition or following a buy-and-build period is an excellent time to bring in change. This may have been identified in due diligence, however commercial teams, private equity owners or new funders will often have identified changes they wish to bring in at the time of the acquisition.
- Ahead of planned change – this might be a refinancing or investment, entry into a joint venture, ahead of M&A, the re-domiciliation of the group holding company or a demerger.
- To de-risk or manage a known problem – which may be caused where a venture is likely to fail or if there is a risk to group assets such as through cross-group guarantees.
- Corporate governance – the recognition of the need to improve the overall standards in management, governance, accountability and effectiveness of decision-making, particularly at the lower levels of an overall group structure where there may be uncertainty as to what amounts to best practice.

A Vistra company

How we can help you…

… to rationalise your group structure and deliver change:

Legal entity review and restructure

Removal of surplus companies within the group structure – by liquidation or strike-off, transfer(s) of assets owned by individual companies, an audit of legal ownership of key business assets – e.g. title to assets, IPR, parties to key contracts etc.

Corporate governance health check

An analysis of the group's decision-making framework, accountabilty of decision-makers within a group structure, the robustness of your existing corporate governance policies, and a risks and gap analysis highlighting potential areas for improvement.

Workforce structure review

An analysis of the basis and terms of workforce engagement and comparison across different jurisdictions. Harmonisation of workforce rights globally.

Analysis and rectification of key concerns

Trouble shooting known risks and solving problems raised by investors, auditors, or identified in pre-acquisition due diligence, or through the warranty disclosure process.

Tax changes

Implementation of a tax-driven rationalisation, such as to improve cash distribution, move to a lower tax jurisdiction, utilise tax losses, balance sheet write-downs etc., introduce intra-group service agreements and trading arrangements utilising transfer pricing structures.

Finance changes

Improvement of funding pathways to return cash to shareholders or repatriation of overseas earnings, reduce share capital or share premium, simplify intra-group funding and inter-company loan arrangements, or the sale and lease back of revenue generating assets such as IPR or real estate.

Administrative changes

Rectification of defective statutory registers, introduction of standard administrative procedures; opportunity to administer a group through a single corporate provider.

What makes us different:

- Comprehensive global advice - Jordans Corporate Law is a regulated law firm that provides corporate, commercial, employment and finance advice to global clients.
- Key account management - a key element to any reorganisation is early planning and our key account management will ensure the appropriate expertise is delivered at the outset. Being part of Vistra, the top 3 corporate service provider worldwide, we offer a cost-effective alternative to international law firms that are often retained following major M&A. Vistra can combine tax, legal and administrative expertise across multiple jurisdictions.
- Expertise and approach - we combine legal and administrative advice, providing a truly integrated service. We publish regular blogs and updates on various aspects of group rationalisation. Please click here for more information.

Contact us

If you are considering any kind of group rationalisation, contact one of our specialists to discuss and advise on your situation and, if appropriate, arrange a consultation to see how we can help.

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