

Creation of an Intercompany Consolidation Model to *Enhance Planning Effectiveness*



Customer Pocket Story

torq.finance

Duration: 10/2023 – 10/2024



“The support from torq-partners was transformative for our finance operations. Their expertise allowed us to navigate complex consolidation challenges, resulting in accurate, reliable financial reports across our entities.”

Amelie Ebner
Teamlead Controlling

Project Scope

First-time consolidation of over ten companies within a buy-and-build holding company

Use Cases

- Intercompany consolidation
- Establishment of financial reporting and controlling structures
- Preparation of the data for the first consolidation in LucaNet

Industry

Cybersecurity, infrastructure



Problem

- Hyper-growth driven by the investor's buy-and-build strategy resulted in **inaccurate financial reporting**.
- More than 10,000 annual intercompany bookings and merger-related entries (e.g. costs associated with the buy strategy) **distorted financial results and complicating financial planning**, particularly in liquidity management.
- **Lack of internal resources** and limited in-house expertise to address these challenges effectively.



Solution

- **Establishment of a fully integrated consolidation model for all entities**, including profit and loss statements, balance sheets, and cashflow statements for the last three years
- Over **20,000 adjustments to the income statements and balance sheets** on a single-entry basis to ensure accuracy and transparency
- **Preparation of short-term liquidity planning** based on consolidated figures to enable effective cashflow management



Impact

- The revised overview **enhanced planning effectiveness** by providing clearer insights and facilitated the decision-making.
- The provision of the intercompany adjusted accounts has **expedited the implementation of LucaNet**.
- The provision of intercompany adjusted financial statements has **simplified the Group's financial reporting process** and the timely provision of comparative data for the auditor has improved efficiency.