



CASE STUDY

End to End Accounting & Financial Reporting



ABOUT THE CLIENT

- A Global cloud innovation Company headquartered in New Jersey and having offices in Canada, UK and India.
- The company is in SaaS business helping clients with next-gen cloud, cybersecurity, data & AI/ML solutions.
- They possess service delivery capabilities in over 40+ countries and growing at a fast pace.



BUSINESS CHALLENGE

The organization was growing at a fast pace and needed support to ensure financial data integrity in their system by adopting best accounting practices in adherence to US GAAP and periodic Financial Reporting.

Some of the challenges at the inception were:

Books maintained in Cash Basis

Required to produce Financials in Accrual basis

Legacy inconsistency in recording financial transactions

Inappropriate accounting policies

US GAAP standards such as ASC 606 not adhered to for revenue accounting

Annual Federal Tax filing was done on cash basis

The company was expected to exceed the cash basis threshold limit in one year

There was no periodic closure of books other than the tax period

The company was also looking for funding opportunity and hence in need of correct financial reporting and Management Reporting Deck

There was a need to produce Consolidated and Standalone Financials Statement for last three years on accrual basis both annual and quarterlies

Complexity of revenue contracts which required comprehensive analysis of the client contracts and adherence to ASC 606 application

Besides, there was a need on the standardisation of accounting policies and procedures across all locations



US GAAP Accounting and Reporting of Consolidated Financial Statements

Our Approach

Business Model Review

Intensive walkthroughs with management to review their business model for understanding the organizational structure, revenue streams, issues in accounting process and controls.

Comprehensive Planning

In-depth planning included review of books of accounts; review of the processes, identification of US GAAP application, intercompany transactions, the resources and the skill set needed, milestone phases and timelines

Financial Reporting achieved

- Monthly closure of books of accounts.
- Prepared standalone and consolidated financials with schedules and notes to accounts.
- Comprehensive reporting on revenue, cost, EBITDA, margin, cashflow, liquidity, AR and AP, Investor's Deck with updated information

Accounting & Reporting Requirements

We reviewed the existing data in the books of accounts and identified the gaps. Since the books were maintained on cash basis for the purpose of tax filing, no changes could be affected. However, the differences and impact analysis were done to understand the gaps between cash basis and accrual basis accounting. The company also needed periodic closing of books, standardized accounting & reporting processes.

Execution & Delivery

- We adopted best accounting practices and standardized the processes.
- Formulated a closure procedure and ensured month on month closure.
- Analyzed client contracts and ascertained the applicability of ASC 606.
- Sanitized the data in the books of accounts to ensure correctness and accuracy of financial data.
- Continuous communication with client representative to clarify transactions and ensure correct recording.



BUSINESS IMPACT

Valueonshore **Advisors** helped the company in achieving US GAAP accounting & compliance and assisted them with the complete financial reporting. The major impact areas included:

- Our specialist team streamlined accounting and recording of transactions and ensured a correct books of accounts. This benefitted the company with true financial information in line with their business operation.
- Standardization of accounting process and continuous focus on improvement led to improved accounting practice adopted within the company.
- Our team helped in the company to reach a stage of audit readiness for forth coming audits.
- Comprehensive reports, Financials and investor's deck with analytics on Revenue, COGS, Expenses, EBITDA, Liquidity, Accounts Receivable, Accounts Payable were readily made available for the management reference.

ABOUT US



Headquartered in Gurgaon, Valueonshore Advisors is a specialized professional services firm managed by the Big 4 alumni and industry executives. Our portfolio includes multi-billion dollar companies, mid-cap public, and pre-IPO companies that range from late stage to early stage. We are a trusted, preferred partner for various multinational and Indian clients who engage us for our functional expertise, industry knowledge and for our objective solutions for complex problems.

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