

Streamlining Financial Reporting Through Offshoring

ABOUT THE CLIENT



- A California based organization in Augmented and Virtual Reality academic and industry training solutions. They have spent last 20 years developing the de-facto standard for AR/VR education and industry solutions that support devices from mobile phones to head-mounted displays to large-screens and facilities. Their platform is the primary product and content delivery platform of the company. It contains the backend support and architecture that helps large organizations to quickly and efficiently build, deploy and scale AR and VR applications to supplement their current training and productivity efforts.
- It counts various Fortune 500 companies, government entities and world class universities among its client base and has offices in Singapore, China, India, Spain, France and Italy.
- The company has also received various awards for its multi-reality platform to create immersive learning experience, like the EduTech Asia Award.

BUSINESS CHALLENGE



The organization was gearing up for the Consolidated Financial Reporting under USGAAP and its subsequent audit. Some of the challenges involved:

Timely completion of audit and support therefore

Reinstatement of Opening Balances



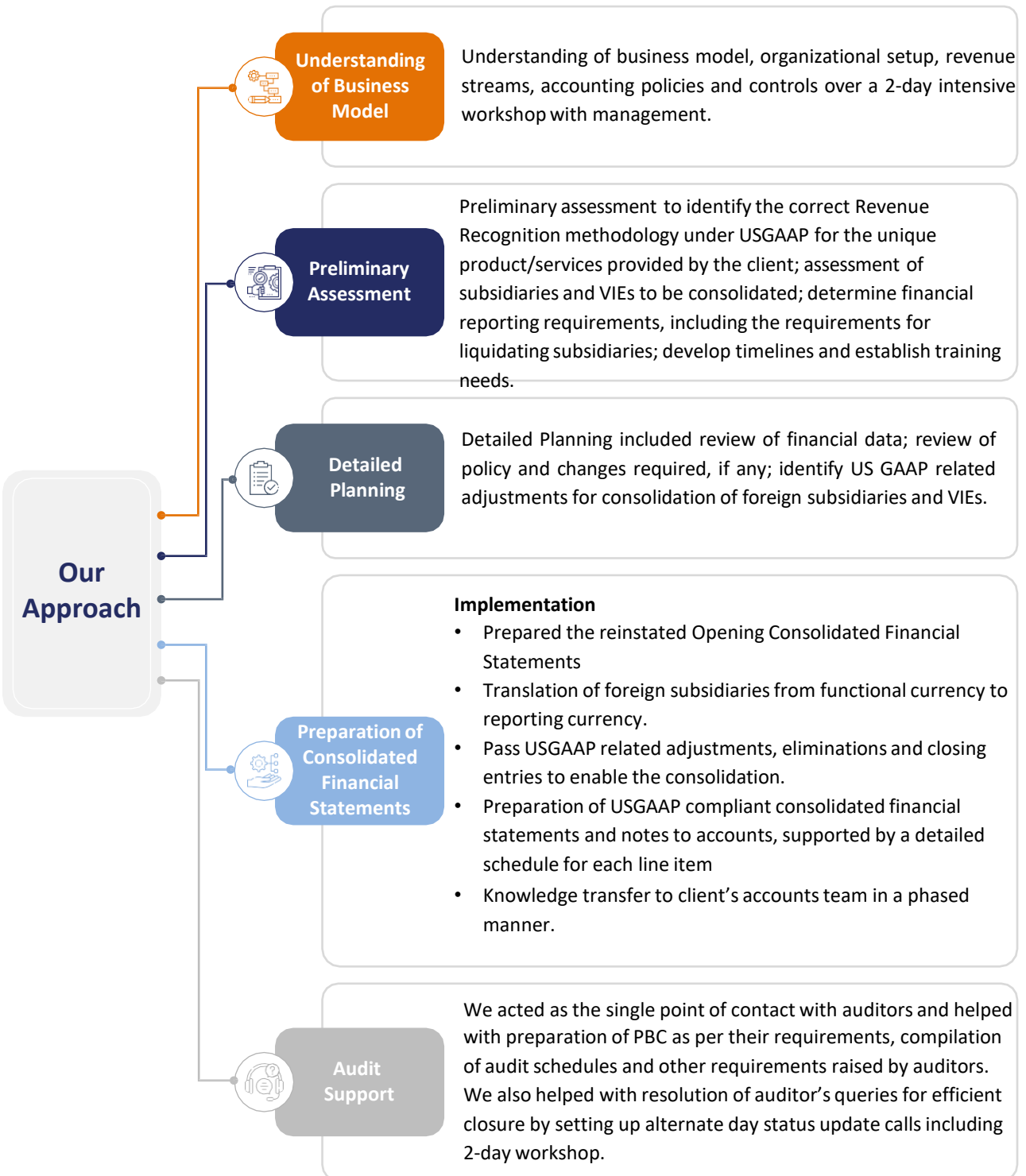
Revenue Recognition as per ASC-606

New Lease accounting as per ASC-842

Assessment of Variable Interest Entities and its disclosure in Financial Statements



USGAAP Financial Statement Re-Statement and Audit Support





USGAAP Financial Statement Re-Statement and Audit Support – Phase Wise Approach and Deliverables we achieved

 <p>Phase 1 Business understanding</p>	<ul style="list-style-type: none"> • Complete understanding of revenue streams, accounting policies and controls • Accounting policies and control documentations prepared
 <p>Phase 2 Preliminary assessment</p>	<ul style="list-style-type: none"> • Establish Revenue Recognition Methodology as per ASC-606. Prepared detailed technical memo revenue recognition. • Evaluation of subsidiaries and VIEs to be consolidated. • List of financial reporting requirements and disclosures required for liquidating subsidiaries • Set project timelines and establish training calendar.
 <p>Phase 3 Detailed Planning</p>	<ul style="list-style-type: none"> • Exhaustive review done of financial data, policy and changes required, if any. • USGAAP related adjustments for consolidation of foreign subsidiaries and VIEs.
 <p>Phase 4 Implementation</p>	<ul style="list-style-type: none"> • Step 1:- Reinstated opening Consolidated Financial Statements • Step 2:- Translate foreign subsidiaries into reporting currency; record USGAAP related adjustments, eliminations and closing entries to enable preparation of Consolidated Financial Statements. • Step 3:- USGAAP compliant consolidated financial statements prepared together with notes to accounts and schedules. • Step 4:- Training material prepared for client's accounts team
 <p>Phase 5 Audit Support</p>	<ul style="list-style-type: none"> • All communication with the auditors as a single point of contact • Assisted with preparation of PBC as per auditors' requirements • Compilation of audit schedules and meeting other audit requirements
 <p>Phase 6 Status Updates</p>	<p>We provide the in-house accounting team with the regular status updates over mail and calls</p>

BUSINESS IMPACT

Valueonshore Advisors assisted the organization with the complete financial reporting requirements. The major impact areas included:

- Our expert team helped in accounting of certain critical areas, like Revenue/Deferred Revenue, Deferred Cost, ESOPs. We also drafted the Footnotes, including disclosures for crucial areas like VIEs and Liquidating entities.
- We acted as Single point of Contact for auditors for efficient closure and complete audit support thereby freeing up the time of the in-house accounting team to focus on regular activities
- Our support in cleansing the books of accounts helped in obtaining a Clean audit report for the organization
- During the engagement, we helped transition the knowledge base to the in-house team, thereby enabling them with financial reporting in future reporting periods.





VALUE CREATION



Valueonshore Advisors assisted the Company in developing a holistic approach for timely execution of the engagement. The engagement team consisted of people with expertise in USGAAP accounting and financial reporting.

Our team assisted with overall cleansing of books of accounts for the reporting and comparative period, preparation of consolidated financial statements and complete audit support. Our team directly interacted with the auditors for smooth finalization and audit of the financial statements.

ABOUT US



Headquartered in Gurgaon, Valueonshore Advisors is a specialised 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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