



CRESCO

accounting_

Not Just a Necessary Evil: Properly Kept Accounting Records and Financial Information

To have access to accurate and timely financial information is perhaps the most common challenge faced by entrepreneurs. Without accounting information, it is like driving full speed down a street with your eyes closed and only guided by some external noise and vibrations. Not surprising such travels end usually in a disaster.

But how can you avoid, that something you so carefully planned and nurtured turns into quite the opposite you wished?

There are a lot of tools that help you to run your business. One of them is Accounting and Bookkeeping.

Well kept and understood accounting records are one of the most under-emphasized functions in business especially by new entrepreneurs. We can not stress often enough, that accounting is not just a necessary evil but it is vital to keeping businesses afloat.

Properly kept accounting records benefit the business owners manifold:

- 1) You can make business decisions backed by real-time data and key performance indicators
- 2) It provides accurate and timely financial reporting for compliance requirements
- 3) It allows the management of Accounts Receivable and Payables to secure your liquidity
- 4) And last but not least: it keeps the tax men at bay.

Who is required to maintain proper accounting records?

Companies are required by law to maintain proper accounting records. As per law, the records should be kept for not less than 7 years.

The International Business Act requires offshore companies to maintain proper bookkeeping and accounting records, for the same number years. This includes a declaration of the location where the data is kept. It may be requested by authorities to submit the said records - not for annual



Daniel de la Peña
CRESCO Accountant

submission requirements but in case of a legal investigation.

Who maintains your accounting records?

With a lot of stakeholders (owners, customers, suppliers and regulatory bodies) on the line, a certified accountant should keep and maintain your records to secure accuracy and completeness.

Having said that: Accountants do much more than that. Accountants help you to understand your figures and to compare them with the benchmark of competitors and best-in-class players in your industry. Accountants can give you strategic advice and come up with clever ways to save costs and improve revenue and profits.

Where to find the professional accountants?

Smart business owners know that their finite time in a day must be spent in building and growing their core business activity. Outsourcing is an approach that allows you to focus on your important tasks and appointing professionals to take care of the non-core part of your business.

It is important that such outsourcing partners not only do bookkeeping and regulatory reporting but present the figures in a way, that provide management with a base for their decision making.

Such accounting partners allow you to profit from cost advantages, redundant availability of professionals and strong expertise in the preparation and interpretation of financial data.

This is the reason, why more and more companies decide to outsource their accounting to a professional partner, turning a necessary evil into a competitive advantage.

+248 430 3149

enquiry@crescoaccounting.com

crescoaccounting.com

F02-04, Oceanic House
Providence Estate
P.O. Box 6038, Mahé, Seychelles



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