



KPMG IN CROATIA

# Bookkeeping and Payroll Services

[kpmg.hr](http://kpmg.hr)



Today's complex economic environment requires that you get the most out of your finance and payroll functions – simply meeting statutory requirements is no longer sufficient. For small and medium sized enterprises, this requires flexible, creative, and cost effective solutions that arm you with the information necessary to run your business.

## Your performance is our top priority

Our Bookkeeping and Payroll Services Department can provide you with specially tailored services that meet your needs and your budget.

### Whether you:

- need to reduce costs,
- wish to improve the quality of your accounting information,
- need to fill the sudden absence of a key staff member,
- require specific skills and advice,
- would like more management information from your accounting, or
- wish to reduce risk,

we can help you make the most of your finance and payroll functions and help you run your business better.

## Why choose KPMG?

KPMG in Croatia is one of the leading companies on the Croatian market, and our Bookkeeping and Payroll Services Department is dedicated to providing customer-focused financial management and payroll accounting services, as well as related advisory services. We provide quality services leaving our clients with peace of mind.

## Your partner, not just a provider

With KPMG, you can be assured that our goal is to be more than simply a service provider – we aim to be a partner that responds proactively to your needs. Many companies cannot imagine entrusting sensitive business processes to an outside organisation, but we work to develop relationships and trust as if our team members were your own employees, at both the operational and managerial levels, so you can turn to us at any time with whatever issue you face.

## Focus on your particular needs

We take a pro-active approach with all our clients: although our work can be easily grouped into types, we do not provide standardised services but rather adapt our services to meet our clients specifications. So whether you require accounting supervision one day per month or large-scale outsourcing services, our services can be targeted to accommodate your needs.

## The skills you need

Our bookkeepers have a thorough understanding of accounting, tax, commercial and labour law, and are capable of undertaking all types of bookkeeping and payroll-related tasks. As such, services that other leading firms find difficult to provide are standard for us. We are one of the few companies on the market that can rightly claim to be not simply bookkeepers, but, in conjunction with our tax and advisory departments, we can be your trusted business advisor in all aspects of your business.

KPMG also allows you to benefit from the skills and knowledge of the global network of KPMG member firms.

## Help with reducing risk

No matter what service you need, access to the resources and staffing you require is constant and consistent. Issues such as a potential loss of productivity due to illness, absence or employees leaving your firm are taken out of your hands. With KPMG, you also reduce risk because we maintain strict confidentiality, ongoing compliance with statutory regulations, and access to the knowledge and skills necessary to meet your needs.

## Added value to your business

Your performance is our top priority, and we undertake all our work with a focus on your interests. We provide you with feedback on an ongoing basis, and thanks to this open, straightforward approach, you gain better insight into your financial performance, which can enable you to manage your business better.

Working with KPMG in Croatia can also introduce a certain degree of fiscal discipline, primarily in the area of accounting controls, processes and procedures, which is often not the case with smaller bookkeeping and payroll service providers, or if the this function were undertaken in-house. This fiscal discipline can have numerous benefits, ranging from more accurate accounts to better access to third-party financing.

Both the management and team members working on your engagement would be available at all times for consultation, assistance, or general advice. This aspect of our service is crucial for developing our relationship with you and adds significant value to the services we provide.

Compliance

Performance



Confidentiality

Efficiency

# We offer the following services

## Financial Accounting

Our financial accounting services include statutory financial accounting, preparation of corporate profit tax, value added tax and other tax returns, preparation of Croatian National Bank reports (if required), statistic reporting to the State Financial Agency and preparation of annual accounts and the notes thereto.

Outsourcing the financial accounting function can be done in whole or in part, and is carried out with exactly the right combination of human resources, specialist processes and technology to serve you most effectively. For groups of companies we offer integrated support, including preparation of consolidated accounts.

We can liaise with your external auditor to enable the timely preparation of financial statements and the notes thereto, interface with the tax authorities in respect of day-to-day issues or formal tax inspections, and we guide you through all types of formalities, with respect to tax prepayments, tax withholdings and value-added tax.

## Payroll Outsourcing

Our payroll team can provide you with several services in this area, including full payroll for all your employees and “executive payroll” services that entail added discretion in relation to the salaries of your top management.

Our service of payroll reporting includes the following:

- Registration and deregistration new employees for social security purposes;
- Submission of information required to update the profile of your employees for social security purposes;
- Calculation of each employee’s monthly payroll, including tax, social security contributions, sick leave, etc.;
- Preparation of a monthly payslip for each employee;
- Preparation of monthly income tax and social security liabilities reports;
- Preparation of the Annual Report for Employees concerning their Annual Earnings and Tax Advances paid.

Our payroll services include calculation of payroll for domestic and expatriate employees. We can also assist with the employment and business visa process, registration of employees with the relevant local institutions, employment by-laws, preparation of labour contracts, standard job descriptions and staff procedures manuals, the execution of salary payments, etc.

## Management Reporting

Our management reporting services build upon the financial accounting function and are designed to help you extract the information you need from your bookkeeping function.

We can help you with all aspects of management reporting, including the development of an appropriate management reporting package (including GAAP adjustments, depending on the reporting standard), preparation of monthly or periodic management accounts and assistance during budgeting and planning. Additionally, we can assist you with a periodic analysis of your performance and can help you analyse/improve your internal processes and procedures.

## Administrative Support

We provide a wide range of administrative support services, including the preparation of payment orders, acting as a second signatory on payment orders, preparation of travel expense claims, invoice preparation, corporate secretarial services and intermediary services.

KPMG in Croatia and our dedicated, experienced and client-focused teams can also assist with the preparation and submission of VAT refund claims for foreign entrepreneurs incurring VAT costs in Croatia where our services include the following:

- Analysis whether the conditions for submission of a VAT refund claim are fulfilled;
- Preparation of the VAT refund form;
- Optimization of refundable VAT;
- Collection and review of supporting documentation; and
- Other administrative services.

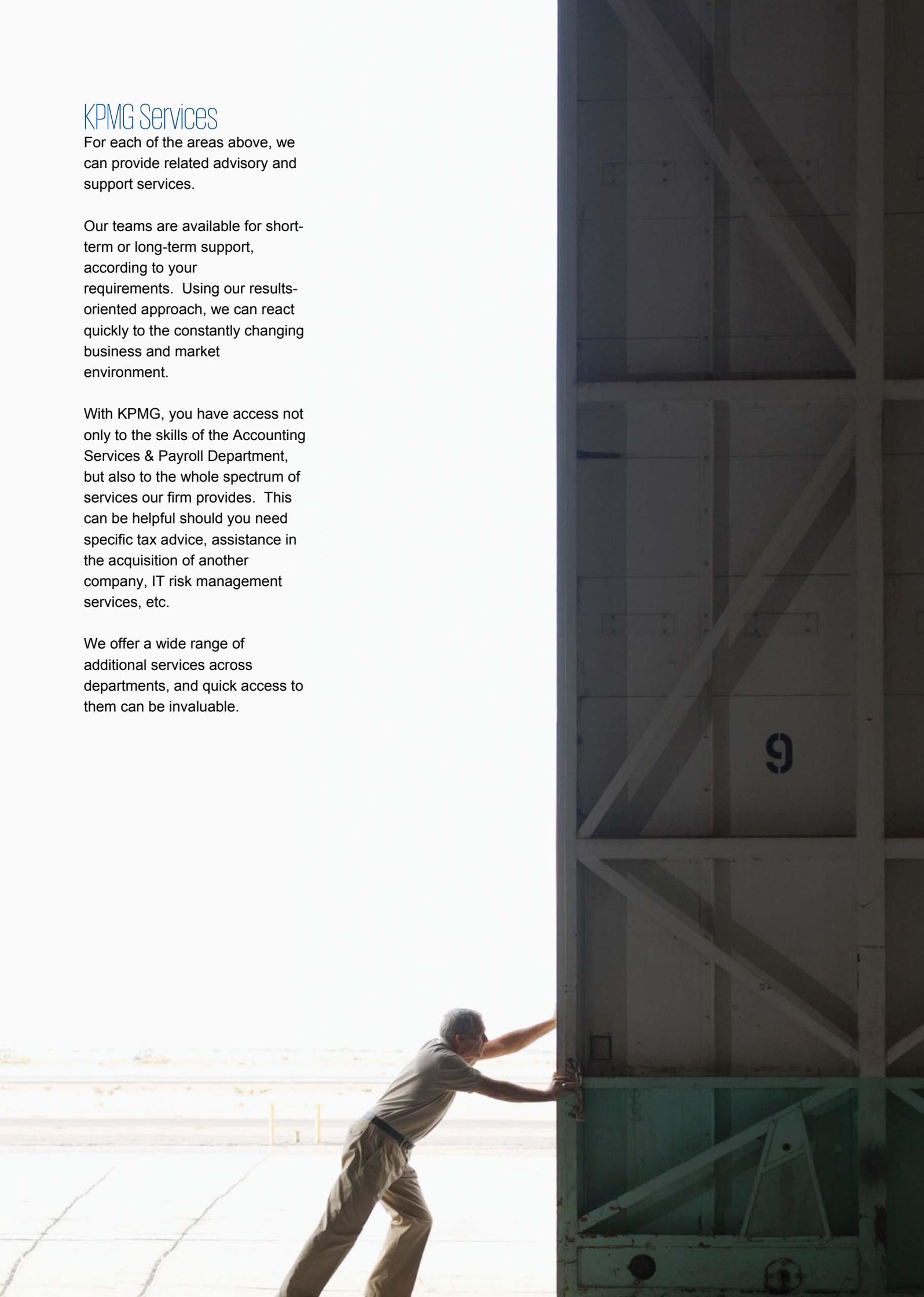
## KPMG Services

For each of the areas above, we can provide related advisory and support services.

Our teams are available for short-term or long-term support, according to your requirements. Using our results-oriented approach, we can react quickly to the constantly changing business and market environment.

With KPMG, you have access not only to the skills of the Accounting Services & Payroll Department, but also to the whole spectrum of services our firm provides. This can be helpful should you need specific tax advice, assistance in the acquisition of another company, IT risk management services, etc.

We offer a wide range of additional services across departments, and quick access to them can be invaluable.



# Welcome to KPMG

KPMG in Croatia today employs over 180 staff members serving Croatian and multinational companies, government entities and private investors.

Our clients include some of the largest companies operating within the two countries as well as worldwide. They benefit from our knowledge of the local business environment combined with the experience and the resources of the worldwide network of KPMG member firms.

At KPMG, we are **passionate** about earning your trust. We take deep **personal accountability**, individually and as a team, to deliver **exceptional service and value** in all our interactions with you. Ultimately, we measure our success from **the only perspective that matters – yours.**

Locally as well as globally, our size means that we have extensive knowledge and experience in most business sectors, including financial services, telecommunications, energy and utilities, real estate, industrial and consumer markets, government and public sector, infrastructure and tourism. In the financial sector, we concentrate on banking, insurance and asset management. In the industrial and consumer markets, we focus on the automotive industry, energy, power and natural resources, as well as on the food and retail sectors. We are also working closely with companies in the communications industry, electronics and media.

To help our clients recover from the global recession, we offer services focusing on accounting advisory, financial restructuring, cost and liquidity management, business process improvement and tax efficiency, among others.

Our local experience, enhanced by the technical and industry knowledge of our global network means we bring a deep understanding of our clients' business. It enables our professionals to deliver informed and timely advice. Staff includes both locally and internationally qualified professionals – in addition to locally registered auditors, staff includes UK, Australian and Canadian Chartered Accountants and UK Chartered Certified Accountants (ACCA), as well as lawyers qualified in Croatia, Canada and the UK. Our management group includes native and excellent speakers of local languages, English, German and Italian and advantages of local business awareness with international best practice.

KPMG operates in Croatia through three professional service companies: KPMG Croatia d.o.o., KPMG savjetovanje d.o.o. and KPMG Legal s.r.o. advokátní kancelář – Branch Office Zagreb.

In every industry, tax has become a boardroom issue. Whether a company is seeking to expand business locally or reach across national boundaries, management should be building tax considerations into its overall business strategy.

The number one priority of KPMG's tax practice is to deliver a portfolio of

services that matches organisations' changing needs in today's global marketplace. Tax can represent a substantial outflow of funds from every business. Add to this the drain on management time caused by increased reporting obligations, a more aggressive approach by the tax authorities and harsher penalties for non-compliance, and your tax burden can be significantly larger than you would like. We help clients manage their tax charge and deal effectively with the tax authorities.

Beyond this, effective tax advice can give companies a competitive advantage. KPMG's tax advisors are often involved in transactions that are fundamental to our clients' commercial success. Therefore, we understand that we need to know our clients' business thoroughly. We focus on finding opportunities and leveraging them to the advantage of clients in the form of significant tax savings through tailored strategies.

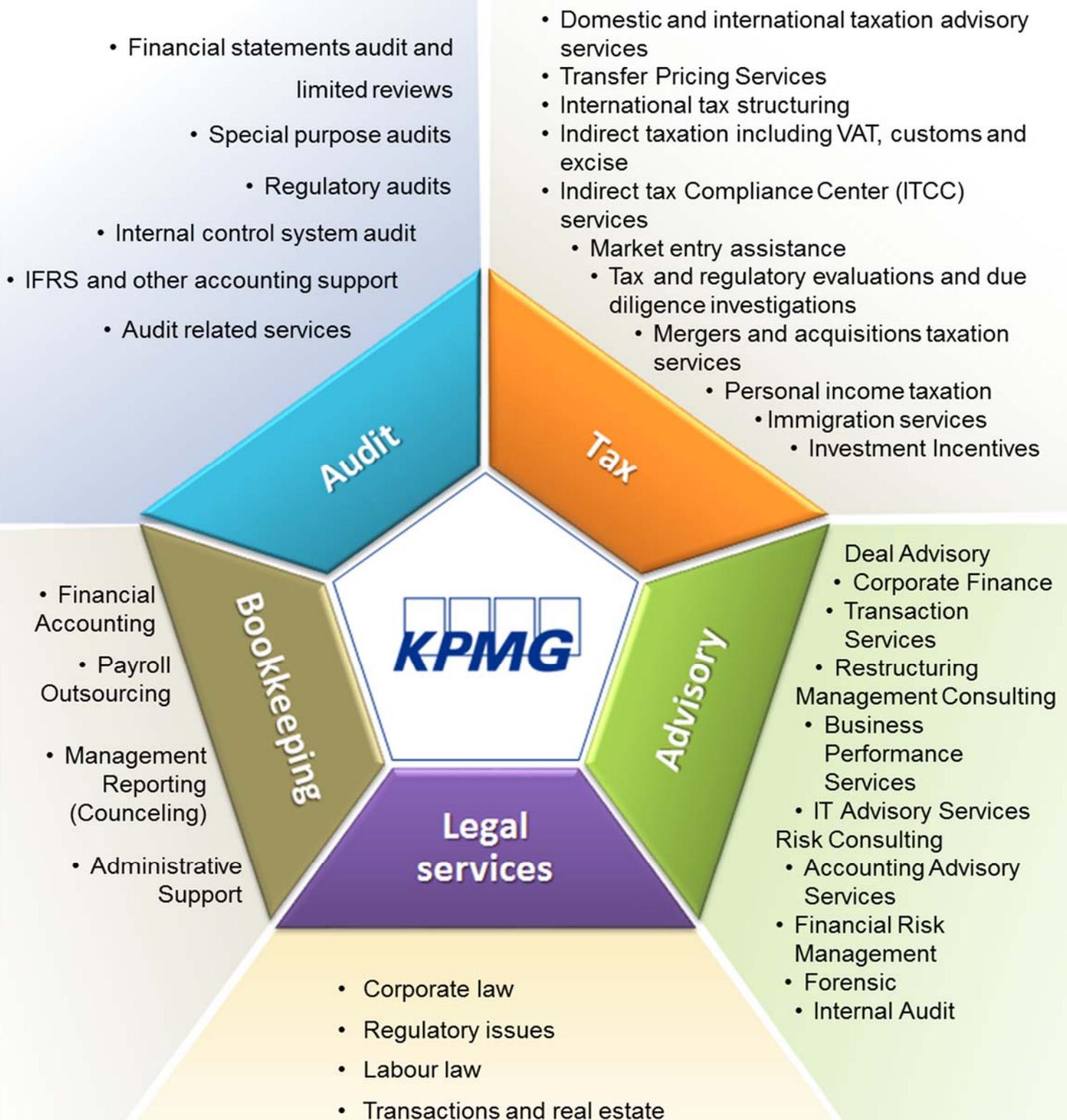
Now, more than ever, cost saving is at the forefront of business priorities and tax should be high on the list. The local legislative environment is changing rapidly as our local economies open up to foreign investment and adjust to EU integration.

In addition to new legislation, there are significant changes in the interpretation of existing regulations. In these circumstances, effective tax advice and innovative planning can give your business a competitive advantage.

Our tax practice shares the same core global KPMG values of clarity, excellence, innovation and, most of all, client service. We offer a range of domestic business and personal tax services designed to meet the needs of your business whatever its size.

Because we know how complex tax matters can be, we make it our business to stay abreast of new laws, policies, accounting and commercial principles and international tax treaties. Our aim is to turn this knowledge into value for the benefit of our clients, communities and our people.

# Our services



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