

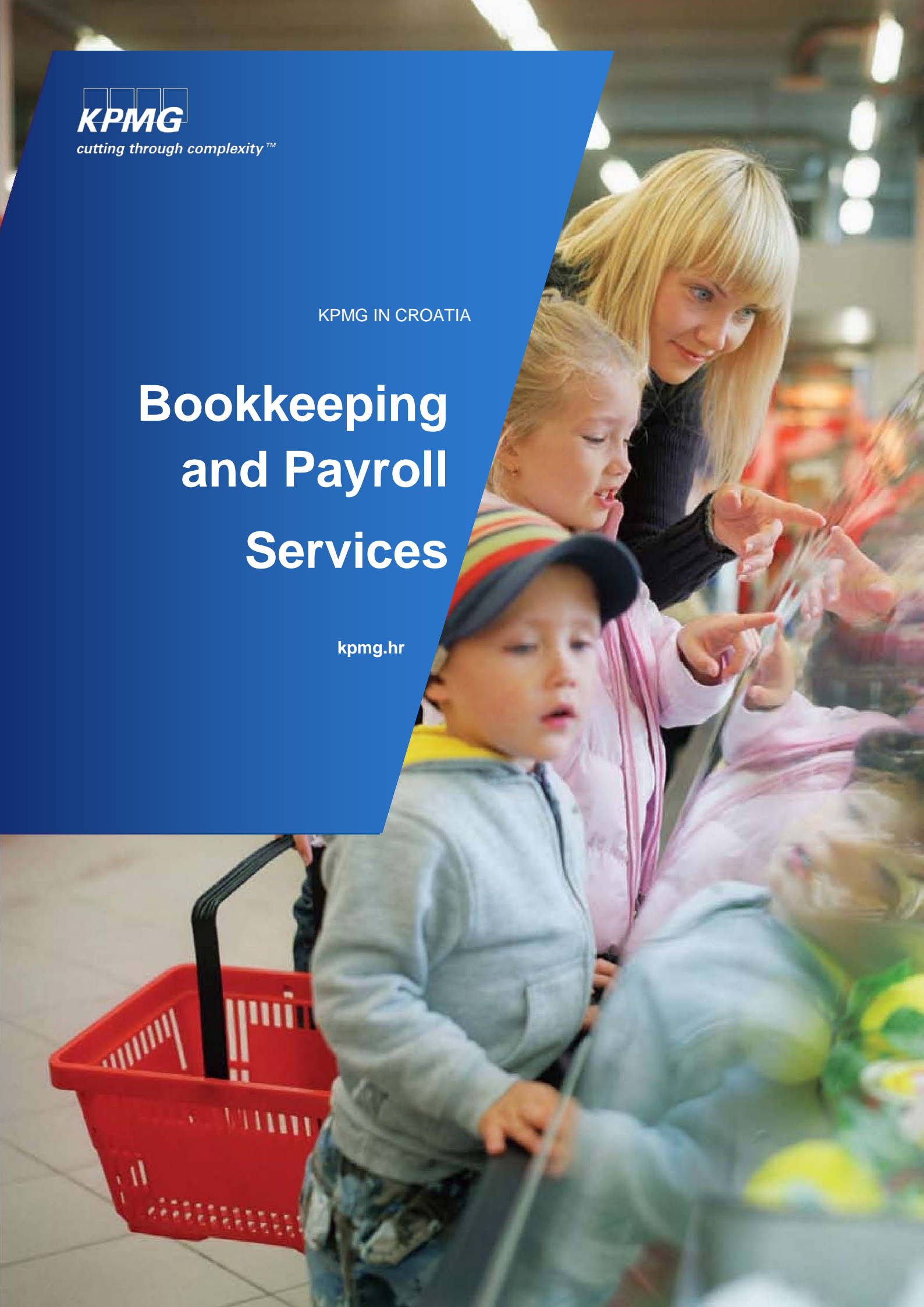


cutting through complexity™

KPMG IN CROATIA

Bookkeeping and Payroll Services

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

Regardless of the issues you may face or the needs you may have with regard to your finance or payroll function, 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, monthly VAT return compilation, preparation of financial statements and annual reports, preparation of corporate profit tax, value added tax and other tax returns and accounting supervision and controls. Cost accounting, which provides you with more detailed outputs from the accounting function, is a standard part of our financial accounting services.

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 auditors 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. Crisis tax and social security liabilities reports (ID, IPP and R-sm forms);
- Preparation of the Annual Report for Employees concerning their Annual Earnings and Tax Advances paid (IP form).

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 processing of payment orders, acting as a second signatory on payment instructions, preparation of travel expense claims, statistical reporting, 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.

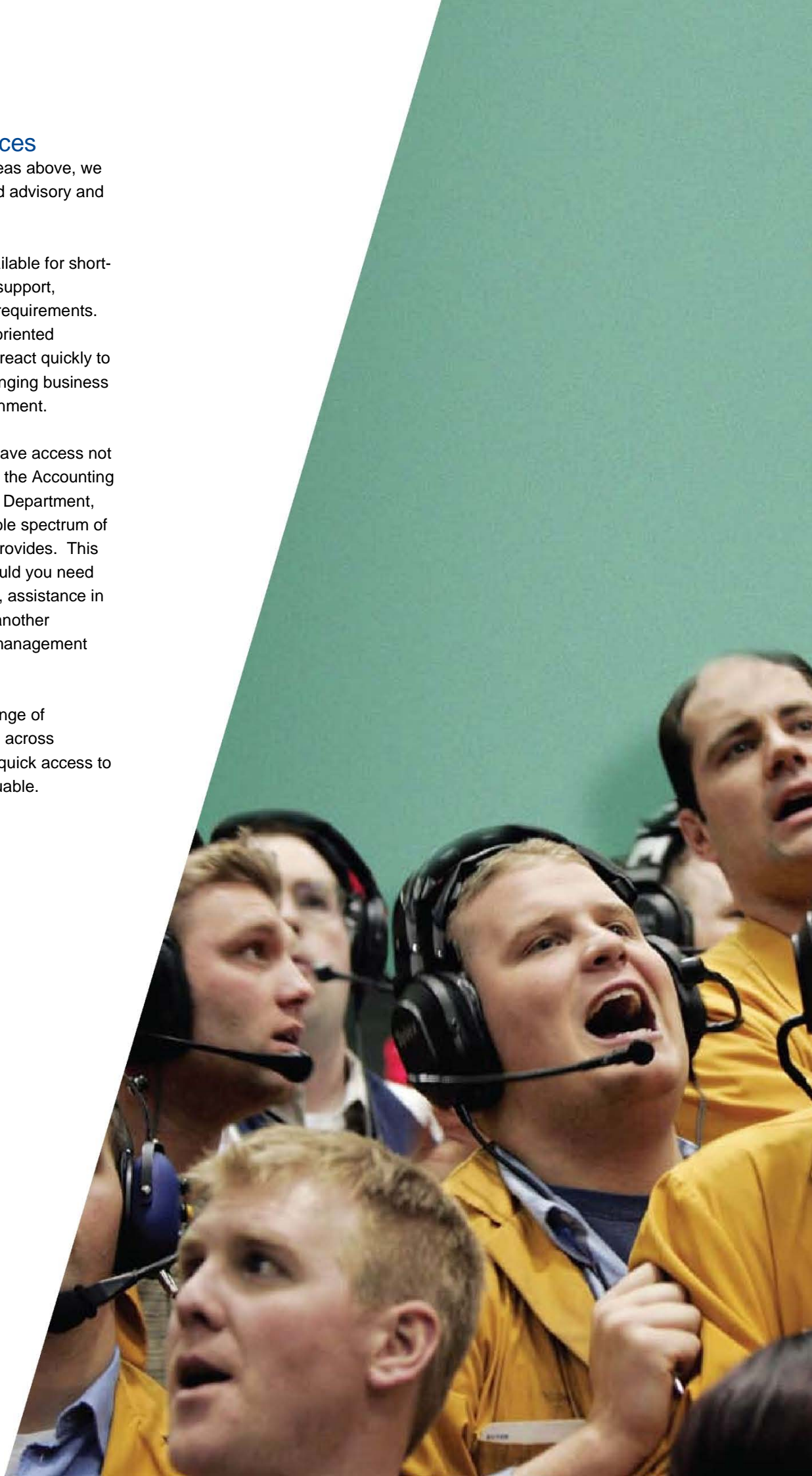
KPMG Services

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.



About KPMG

KPMG is one of the world's leading professional services firms. We are proud of our firm's strong and established reputation, a reputation that is built on a long history of independence, integrity and objectivity. It's what drives us to deliver clear and practical advice to help our clients grow and succeed in their chosen field. It's what makes us committed and successful leaders in our profession.

Our global network

KPMG is a global network of professional firms providing Audit, Tax and Advisory services. We operate in 146 countries and have 140,000 people working in member firms around the world. The independent member firms of the KPMG network are affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Cutting Through Complexity™ – KPMG's new global strategy and brand

Our clients are facing an increasingly complex world and demand clear and practical perspectives to help them make informed decisions. In response, we have refreshed our global strategy and brand by repositioning how we behave, look and communicate aiming to help our clients cut through complex issues and deliver clear and practical solutions to meet their needs.

KPMG in CEE

KPMG in CEE continues to build upon its success in the region with 4,800 staff working in 18 countries. To meet the needs of international, regional as well as local clients, KPMG's offices in CEE work closely together. Shared centres of excellence and infrastructure help to ensure a high level of client service throughout the region. Wherever our member firms do business, our clients are offered customized advisory services based on familiarity with the people, countries and economic conditions of the region because we believe that consideration of national characteristics is the key to any successful business venture, and we know that local developments must be seen in a larger, global context to enable thinking in strategic dimensions.

Through a worldwide network of member firms, KPMG offers clients the benefits of an extensive multinational pool of skilled and experienced professionals who possess an intimate understanding of each of their national markets.

KPMG in Croatia

In Croatia, we operate nationally with 6 partners and more than 160 employees. 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.

Continuity and quality

KPMG continually invests in our people, services and quality processes. We are focused on the research and development of services to help our clients achieve sustainable and strong business performance. We are also committed to appropriately delivering on our capital markets responsibilities, as well as assisting our clients in effectively communicating true business performance to stakeholders.

Supporting our communities

KPMG has a long history of supporting the communities in which we live and work. This contribution takes the form of our people's time, knowledge, experience and voluntarism, as well as our financial donations and grants.

Why select us

Independent, clear and practical advice

Fast, effective and informed decision making is a business imperative in an increasingly complex business environment. Our clients find our independent, objective and professional advice to be clear, concise and jargon free.

Multi-disciplinary, industry focused approach

Delivering independent, professional advice requires a multi-disciplinary, industry focused approach. We can establish dedicated teams of professionals with deep industry experience from across KPMG's service divisions.

Global knowledge sharing

We understand that keeping our professionals constantly up-to-date on global technical and industry developments allows our clients to receive comprehensive advice, no matter where in the world they do business.

KPMG provides services across the globe under three main functions: Audit, Tax and Advisory.

Audit	<ul style="list-style-type: none"> • Reporting under Croatian Financial Reporting Standards • Reporting under International Financial Reporting Standards (IFRS) • US GAAP and other reporting requirements 			
Tax	<ul style="list-style-type: none"> • Local and international taxation advisory services • Tax management strategies • Transfer pricing • Market entry assistance • Tax and regulatory reviews and due diligence • Tax and regulatory support in mergers and acquisitions • Assistance with negotiations and contract preparation • Foreign currency advisory services 	<ul style="list-style-type: none"> • Indirect taxation including VAT, customs and excise • Investment incentives • Labour Law and taxation of personal income including <i>inter alia</i> implications for foreigners • Incorporation, reorganisation and liquidation of legal entities • Real estate and construction issues • Tax accounting • Tax compliance 		
Advisory	<table border="0" style="width: 100%;"> <tr> <td style="width: 50%; vertical-align: top;"> <p>Financial Advisory Services</p> <p>Transaction Services</p> <ul style="list-style-type: none"> • Buy-side Assistance (Pre- and Post-Deal) • Sell-side Assistance (Pre- and Post-Deal) • Capital Markets Service IPO, Debt and Equity Assistance <p>Corporate Finance</p> <ul style="list-style-type: none"> • M&A Services • Valuations • Infrastructure and Projects • Debt financing and Real Estate Advisory <p>Restructuring</p> <ul style="list-style-type: none"> • Operational Restructuring • Financial Restructuring • Cash Management • Crisis Management • Insolvency • Turnaround Executive Management <p>Forensic</p> <ul style="list-style-type: none"> • Investigations • Fraud Risk Management • Dispute Advisory Services • Regulatory Compliance • Forensic Technology <p>Risk & Compliance:</p> <p>Internal Audit Services</p> <ul style="list-style-type: none"> • Internal Audit • Enterprise Risk Management • Corporate Governance • Regulatory Compliance • Sustainability Services </td> <td style="width: 50%; vertical-align: top;"> <p>Financial Risk Management</p> <ul style="list-style-type: none"> • Credit Risk • Market Risk • Operational Risk • Insurance Risk • Actuarial Services • Financial Statement Support • Capital Adequacy & Regulatory Services • Financial Instrument Accounting <p>Accounting Advisory Services</p> <ul style="list-style-type: none"> • Global Conversion Services • Quality Close • Accounting Support • IPO Reporting Advisory • Post Deal Accounting Advisory • Government Reporting Implementation Process • Bookkeeping services • Payroll services <p>Business Performance Services</p> <p>Performance & Technology</p> <ul style="list-style-type: none"> • Business Process Sourcing • Business Process Improvement • Change Management • Financial Management <p>IT Advisory</p> <ul style="list-style-type: none"> • ERP Controls Integration • Security Services/ Security, Privacy and Continuity • IT Attestation • IT Project Advisory • IRM in External Audit • IRM in Internal Audit / IT Audit • IT Strategy & Governance • IT Sourcing </td> </tr> </table>		<p>Financial Advisory Services</p> <p>Transaction Services</p> <ul style="list-style-type: none"> • Buy-side Assistance (Pre- and Post-Deal) • Sell-side Assistance (Pre- and Post-Deal) • Capital Markets Service IPO, Debt and Equity Assistance <p>Corporate Finance</p> <ul style="list-style-type: none"> • M&A Services • Valuations • Infrastructure and Projects • Debt financing and Real Estate Advisory <p>Restructuring</p> <ul style="list-style-type: none"> • Operational Restructuring • Financial Restructuring • Cash Management • Crisis Management • Insolvency • Turnaround Executive Management <p>Forensic</p> <ul style="list-style-type: none"> • Investigations • Fraud Risk Management • Dispute Advisory Services • Regulatory Compliance • Forensic Technology <p>Risk & Compliance:</p> <p>Internal Audit Services</p> <ul style="list-style-type: none"> • Internal Audit • Enterprise Risk Management • Corporate Governance • Regulatory Compliance • Sustainability Services 	<p>Financial Risk Management</p> <ul style="list-style-type: none"> • Credit Risk • Market Risk • Operational Risk • Insurance Risk • Actuarial Services • Financial Statement Support • Capital Adequacy & Regulatory Services • Financial Instrument Accounting <p>Accounting Advisory Services</p> <ul style="list-style-type: none"> • Global Conversion Services • Quality Close • Accounting Support • IPO Reporting Advisory • Post Deal Accounting Advisory • Government Reporting Implementation Process • Bookkeeping services • Payroll services <p>Business Performance Services</p> <p>Performance & Technology</p> <ul style="list-style-type: none"> • Business Process Sourcing • Business Process Improvement • Change Management • Financial Management <p>IT Advisory</p> <ul style="list-style-type: none"> • ERP Controls Integration • Security Services/ Security, Privacy and Continuity • IT Attestation • IT Project Advisory • IRM in External Audit • IRM in Internal Audit / IT Audit • IT Strategy & Governance • IT Sourcing
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Contact us

Paul Suchar

Partner, Tax & Regulatory Services

T: +385 (0)1 5390 006

E: psuchar@kpmg.com

Jadranka Beranek

Manager, Bookkeeping and Payroll Services

T: +385 (0)1 5390 006

E: jberanek@kpmg.com

KPMG savjetovanje d.o.o.

Eurotower, Ivana Lučića 2a/17
10000 Zagreb, Croatia

T: +385 (0)1 5390 000

F: +385 (0)1 5390 111

E: bookkeeping@kpmg.hr

www.kpmg.hr

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