



Client Information

Czech Republic
December 2019

Dear clients!

As before the end of every year, we are bringing interesting information from our field.

We have experienced healthy growth in the Czech Republic, Slovakia and Austria in recent years. We now employ 150 staff members in our six offices.

Unfortunately, not all our news is positive. As many of you know, we run two companies on the Czech market:

- *AUDITOR, spol. s r.o. in the field of tax consulting, balancing, accounting and payrolls and*
- *AUDITOR Praha s.r.o. in the field of auditing.*

There was a conflict with one of the partners last year in the company area of auditing, i.e. in AUDITOR Praha s.r.o., that forced us to build a brand new audit company.

This means that we now cooperate with the company AUDITOR Controlling, s.r.o. led by Jan Šimerka. As almost all the former employees have joined this company, both continuity and service quality can be guaranteed.

We look forward to a new, exciting year in which many challenges await us. To address all these challenges, we have trained our employees very intensively. In this context, We would like to point out our annual December training, which was attended also by many of our clients.

With the end of the year approaching, we would like to thank not only our employees, but also you, our clients, as we have been working with many of you for decades.

We wish you a Merry Christmas, peaceful days full of rest and also contemplation, and good luck, success and happiness in 2020.

Yours truly,

Marie Haasova , Mag. Helmut Hetlinger, Mag. Georg Stöger and the entire AUDITOR team



Mag. Helmut Hetlinger
Managing Partner



Marie Haasová
Managing Partner



Mag. Georg Stöger
Managing Partner



Accountancy on Your Smartphone

We can share data and accountancy info with you - simply and transparently with BMD.com. You can have access to your company's accounts at any time, approve payments of invoices, send us scanned accounting documents and much more.

BMD.com

Once you enter your password into this simple BMD.com application on your smartphone or notebook, it allows you to:



- Send us scanned documents for posting;
- Keep the cash book;
- Approve received invoices for payments;
- Flag outstanding invoices for **reminders**;
- View **accounting reports** such as lists of unpaid invoices, profit and loss or cost account details. You can click from a cost account all the way down to a posted received invoice for example.
- Read documents in the **archive** - e.g. contracts, tax returns, decisions of the tax office or accounting reports.

If you find this short list of features interesting, see more about BMD.com [here](#).

You can also arrange a presentation tailor-made to your company with Marie Haasová (marie.haasova@auditor.eu).



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Company Equity

Most companies will prepare annual financial statements at the end of the year. Let's consider what affects the equity reported in your company's balance sheet: What is the difference between the registered capital and the equity (owned capital)? How can equity be increased?

Equity

The main components of equity are registered capital, capital funds, profit funds and profit or loss.

In general, it is very positively perceived if a company has a high **registered capital**. The reason is that the registered capital is most tied to the company. This is due to the administrative and financial demands associated with changing the registered capital (notarial registration and a change to the Commercial Register are required) and the intention of the partners to keep their investments in the company for a longer period.

Capital funds are often created as a result of company transformations such as mergers, fusions or divesting. The positive effect of many transformations is an equity increase if the company being transformed owns long-term assets the book values of which are below the market value. The amount of capital funds also reacts to changes in the market value of certain assets, such as derivatives or purchased shares.

If a company generates a **long-term loss**, the equity drops below the registered capital value, often down to negative numbers.

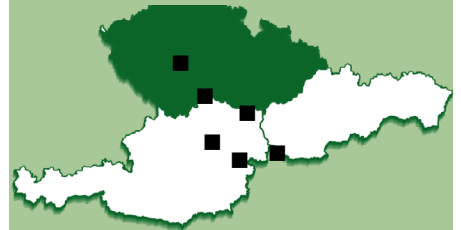
The company equity can then be increased by a **contribution** in the registered capital or in capital funds (or more precisely a supplement outside the registered capital). A shareholder may make such a contribution in a monetary or non-monetary form, for example by contributing property, machinery, receivables or other intangible assets.

A contribution to the capital funds is a simpler option than to the registered capital, as no notarial registration and no change to the Commercial Register are required. An increase in equity, where a partner capitalises its receivables from the company, is also a frequently-used option.

AUDITOR in Central Europe

AUDITOR is an audit and tax consulting company with an international focus that has been providing services since 1991 years in **tax consulting, personnel and payroll administration, financial accounting and business consulting**.

The company provides complex consultancy in Central European countries via sister companies in the **Slovak Republic and Austria** (using **Stöger & Partner** as a brand name). For solving global consultancy issues, AUDITOR is an independent member in UHY International, a network of independent consultancy companies in more than 80 countries of the world.



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