

A horizontal strip of seven black and white portraits of diverse individuals is positioned at the top of the page, above the main title. The portraits are arranged in a row, showing people of various ethnicities and ages.

# Accounting & Payroll Solutions

## Case Study – Reinsurance

A new venture providing an internet-based reinsurance trading platform

### Business Issue

The client was a newly created venture between major players in the reinsurance market that had recently launched its trading platform. Although it was a UK registered company, operations were being conducted from overseas with accounting support being provided by a shareholder on a recharge basis. Pressure was being exerted on management to move the business to the UK to demonstrate independence.

The finance director had only recently been appointed and decided to focus his attention on the strategic issues facing the business. Consequently the decision was taken to outsource the finance function. Having made this decision, he still faced a number of issues that needed to be addressed. These included:

- Development of a business plan and budget.
- Assistance with company set up procedures including bank account applications and VAT registrations.
- An internal infrastructure to support the outsourcing solution.
- Development of management reporting formats and a chart of accounts.

## Solution

A consultant from **Business Process Outsourcing** met with the FD to understand his requirements. Working with the client, the consultant obtained an understanding of the business, developed the internal infrastructures and assisted the FD with other internal requirements. At the same time the consultant communicated requirements and assisted the outsourcing team in developing a tailor made outsourcing solution.

### We assisted the client with internal requirements by:

- Communicating key finance issues and providing updates to senior management.
- Assisting the client in formulating the business plan.
- Assessing the client banking requirements and liaising with the potential bankers accordingly.
- Identifying issues surrounding the client's initial VAT registration and acting as an intermediary on work performed by our other specialists.
- Assessing management reporting requirements and designing the related reporting formats.
- Assessing, designing and implementing the internal finance infrastructure.
- Documenting internal procedures and controls.
- Researching and recommending accounting policies.
- Coordinating the budgeting process including the development of budgeting models, reviewing proposed cost estimates and reporting key issues to the FD.
- Designing a what-if analysis model to assist management in making informed decisions about restructuring the business, based on tax and transfer pricing advice received.

### Our comprehensive outsourcing solution included:

- Designing the chart of accounts and setting up management reports required.
- Designing and implementing a data collection process.
- Setting up key deadlines for information and deliverables.
- Operating the accounts receivable, accounts payable, fixed asset, general ledger and limited treasury functions of the client.
- Registering employees for PAYE.
- Operating the payroll function and preparing year end returns including P11ds.
- Producing the monthly management, board and statutory reports.
- Filing monthly VAT returns.

## Client Delivered Value

The client gained independent control over its finances and financial operations in the growth stages of its development.

### The client also received:

- An integrated cross border solution.
- A complete financial infrastructure.
- Tax effective restructuring of the company.
- Substantial savings in VAT.
- Timely reporting of management accounts.
- Statutory and tax regulatory compliance.

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The English partnership of Deloitte & Touche went into dissolution on 31 July 2003 and its business was transferred to Deloitte & Touche LLP, Stonecutter Court, 1 Stonecutter Street, London EC4A 4TR (trading as Deloitte & Touche). This document speaks as at the date of its first issue.