



The Swiss Law on Accounting and Financial Reporting

Illustrative financial statements of an Industry Ltd, a Holding Ltd and a Non-Profit Foundation (including disclosure checklist)

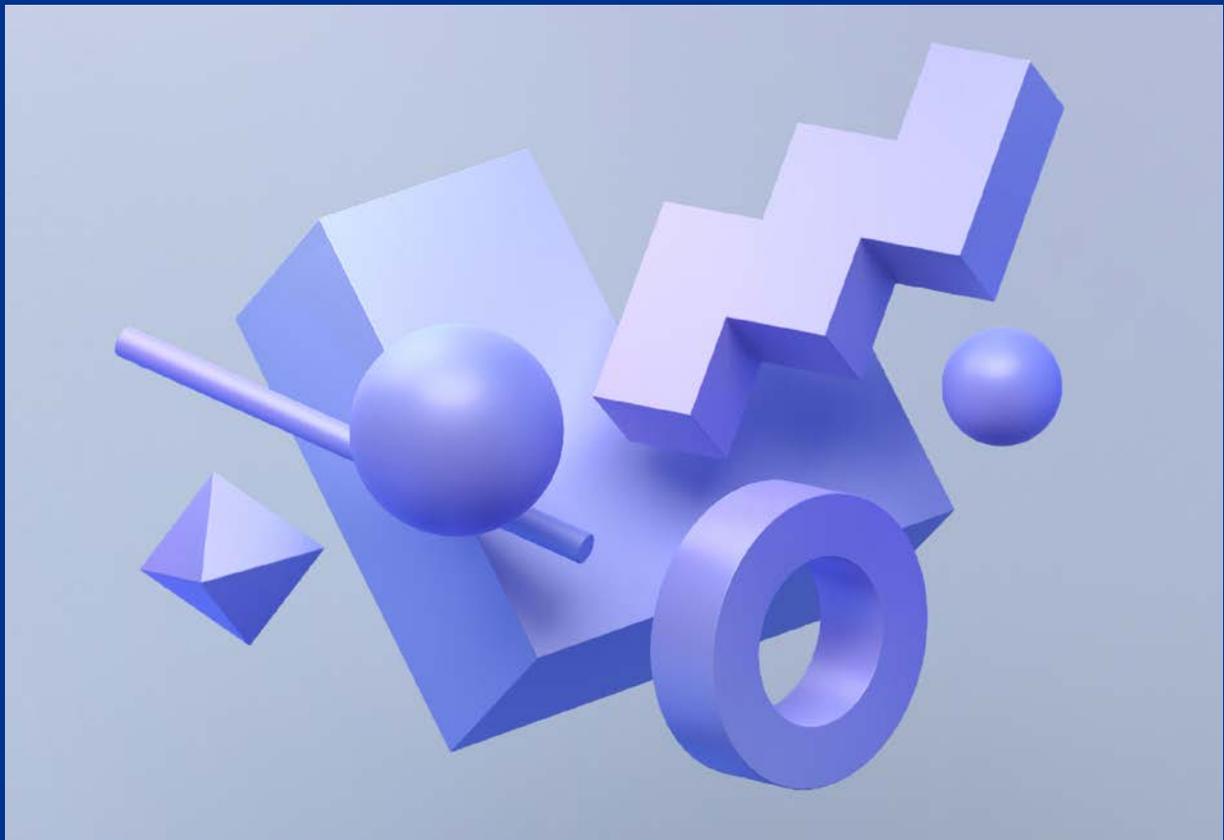
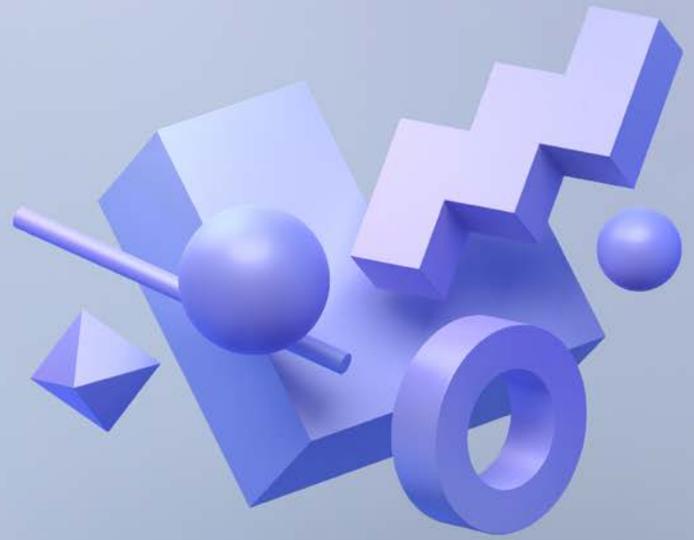


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01 Introduction

Preliminary remarks and assumptions

The law on commercial accounting and financial reporting is set out in the 32nd title of the Swiss Code of Obligations (CO) and applies in principle to all entities in Switzerland. This KPMG publication aims to support companies in applying Swiss law on accounting and financial reporting when presenting annual financial statements (of a stand-alone entity). Three examples are used to show how the requirements of Articles 959 – 961b CO may be implemented in practice. It takes into account the changes resulting from the revised company law, which came into force on 1 January 2023.

The following illustrative financial statements are purely fictional and meant for illustrative purposes only. Not all possible situations can be covered which is why they do not claim to be complete. Any similarities with existing companies are purely coincidental. Therefore, the information contained in these illustrative financial statements cannot necessarily be applied to the circumstances of a specific company. In individual cases, the complete text of the Swiss Law on Accounting and Financial Reporting should be consulted.

The following assumptions apply to the illustrative financial statements:

Industry Ltd	Holding Ltd	Non-Profit Foundation
<ul style="list-style-type: none"> The fictitious, non-listed company Industry Ltd controls other companies and prepares its consolidated financial statements in accordance with principles of orderly financial reporting (the so-called "Swiss CO consolidation" according to Article 963b(3) CO, which is not included in this brochure). By law, the company is subject to an ordinary audit and must make additional disclosures in the notes to the financial statements and provide a cash flow statement as stipulated in the regulation for larger entities (Articles 961a - 961b CO). <p>The management report also required for larger entities (Article 961c CO) is not part of the financial statements and therefore not presented in these illustrative financial statements.</p>	<ul style="list-style-type: none"> The fictitious, listed company Holding Ltd controls other companies and prepares its consolidated financial statements in accordance with Swiss GAAP FER (not presented in this brochure). By law, the company is subject to an ordinary audit. As Holding Ltd has prepared its consolidated financial statements in accordance with a recognized accounting standard, it has decided to forgo presenting additional information in the notes and a cash flow statement as per Article 961d(1)(1) CO. 	<ul style="list-style-type: none"> The fictitious Non-Profit Foundation is subject to a limited statutory examination only; accordingly, the provisions applicable to larger entities are not applicable in this case.

The illustrative notes to the financial statements contain a selection of statutory minimum disclosures. However, depending on the entity-specific facts and circumstances, it may be appropriate or required to provide additional explanations. Moreover, subtotals and appropriate descriptions have been used for the illustrative income statements and cash flow statement.

02

Industry Ltd, Zurich

Illustrative financial statement

Balance sheet

Assets

Article 959a(1) CO	CHF 1,000	Notes	31.12.20x1	31.12.20x0
			8,444	7,111
			2,325	2,342
		2.1	20,956	19,980
			4,511	5,089
		2.2	31,178	28,178
			1,756	1,800
			69,170	64,500
			1,889	1,733
		2.3	3,000	3,000
		2.4	76,542	62,000
		2.5	1,703	1,178
			83,134	67,911
			152,304	132,411

Liabilities and shareholders' equity

Article 959a(2) CO	CHF 1,000	Notes	31.12.20x1	31.12.20x0
		2.6	24,289	20,689
			15,324	6,018
		2.7	5,000	10,289
			1,431	1,580
			9,089	8,667
			55,133	47,243
		2.8	41,289	41,156
			3,147	3,398
			44,436	44,554
			99,569	91,797
		2.9	17,000	14,500
		2.9	6,500	0
			6,589	6,589
		2.10	10,000	10,000
			460	460
			1,000	1,000
		2.10	-67	-44
			6,653	6,129
			4,600	1,980
			52,735	40,614
			152,304	132,411

Income statement

Article 959b(2) CO

CHF 1,000	Notes	20x1	20x0
Revenue from sale of goods and services	2.11	166,644	137,511
Other operating income		2,389	3,411
Change in inventory of finished goods and work in progress as well as non-invoiced services		1,156	-1,067
Total operating income		170,189	139,855
Raw materials and supplies		-80,978	-60,844
Personnel expenses		-41,844	-38,644
Other operating expenses		-28,467	-27,133
Depreciation and impairment losses on property, plant and equipment		-11,232	-10,543
Amortization on intangible assets		-168	-102
Operating result		7,500	2,589
Financial income		441	734
Financial expenses		-1,102	-1,226
Non-operating income	2.12	601	598
Non-operating expenses	2.12	-312	-493
Extraordinary, non-recurring or prior period expenses	2.13	-350	0
Profit for the year before taxes		6,778	2,202
Direct taxes		-2,178	-222
Profit for the year		4,600	1,980

Cash flow statement

Article 961b CO
 Disclosure
 requirement for
 larger entities

CHF 1,000	Notes	20x1	20x0
Profit for the year		4,600	1,980
Amortization and impairment losses on non-current assets		11,400	10,645
Other non-cash (income)/expenses		-10	111
(Gains)/losses arising from disposals of non-current assets		-37	18
Changes in securities listed on a stock exchange		17	-1,953
Changes in trade accounts receivable		-976	1,090
Changes in inventories and non-invoiced services		-3,000	1,622
Changes in other short-term receivables, prepaid expenses and accrued income		622	-600
Changes in trade accounts payable		3,600	1,556
Changes in other short-term liabilities, accrued expenses and deferred income		-4,867	643
Changes in provisions		-400	-1,333
Cash flows from operating activities		10,949	13,779
Acquisition of property, plant and equipment		-26,137	-9,267
Proceeds from sale of property, plant and equipment		400	0
Acquisition of financial assets		-525	-1,525
Proceeds from sale of financial assets		369	0
Acquisition of intangible assets		-693	-156
Cash flows from investing activities		-26,586	-10,948
Proceeds from issue of share capital (including share premium)	2.9	9,000	0
Distribution of profits to shareholders (dividends)		-1,456	-1,200
Acquisition of treasury shares	2.10	-23	0
Proceeds from sale of treasury shares	2.10	0	633
Cash inflows/(cash outflows) from short-term interest-bearing liabilities		9,306	278
Cash inflows from long-term interest-bearing liabilities		133	200
Cash outflows from long-term interest-bearing liabilities		0	-500
Cash flows from financing activities		16,960	-589
Change in cash and cash equivalents		1,323	2,242
Reconciliation:			
Cash and cash equivalents as at 1 January		7,111	4,721
Exchange rate differences on cash and cash equivalents		10	148
Balance in cash and cash equivalents as at 31 December		8,444	7,111
Change in cash and cash equivalents		1,323	2,242

Notes

Article 959c(1)
and (1) CO

1. Principles

Note:

The accounting principles highlighted in gray are alternative wordings for cases where accounting policies with respect to recognition, presentation or valuation deviate from the ones chosen by Industry Ltd. These alternative accounting principles have not been further considered in the present illustrative financial statements. However, they could trigger additional disclosures.

1.1 General aspects

These annual financial statements were prepared according to the principles of the Swiss Law on Accounting and Financial Reporting (32nd title of the Swiss Code of Obligations). Where not prescribed by law, the significant accounting and valuation principles applied are described below. It should be noted that to ensure the company's going concern, the company may create or release hidden reserves.

1.2 Inventories and non-invoiced services

Inventories and non-invoiced services are recorded at acquisition or manufacturing costs: If the net realizable value at the balance sheet date is lower than acquisition or manufacturing costs, net realizable values are used. The company has furthermore made use of a general value adjustment, admissible under tax law. Acquisition costs are calculated using the weighted average cost method, manufacturing costs using standard costs.

Possible alternative accounting principle:

Inventories are valued at acquisition or manufacturing costs - or if this is lower, at net realizable value (lowest value principle). The acquisition or manufacturing costs are calculated with the FIFO method (first in – first out).

Non-invoiced services are valued at manufacturing costs (standard full cost of own work) or at acquisition cost (work provided by third parties). If the net realizable value at the balance sheet date is lower than acquisition or manufacturing costs, net realizable values are used.

Longer-term construction contracts are accounted for according to the POC (percentage of completion) method, provided the relevant conditions are met. With the POC method, not only the acquisition and manufacturing costs are recorded but also a share of profits in accordance with the percentage of completion, provided the realization is sufficiently secure. The percentage of completion is calculated with the costs incurred so far in comparison to the expected overall costs (cost-to-cost). Should the conditions for the POC method not be met, the project is accounted for using the completed contract method whereas it is only recognized in the income statement once the delivery and performance risks have been passed on to the client. Expected losses are fully provisioned immediately in both the POC as well as the CC method.

Article 960b(1)
and (2) CO

1.3 Securities and financial assets

Securities with a short-term holding period are valued at their quoted market price as at the balance sheet date. No valuation adjustment reserve was created. Financial assets include securities with a long-term holding period that have no quoted market price or no other observable market price, as well as loans to employees. Financial assets are valued at their acquisition cost adjusted for impairment losses.

Possible alternative accounting principle:

Securities with a short-term holding period are valued at their quoted market price as at the balance sheet date. In order to account for fluctuations in value, the entity records a valuation adjustment reserve which amounts to the difference between the market price as at balance sheet date and lower historical acquisition cost.

1.4 Property, plant and equipment

Property, plant and equipment (PPE) is valued at acquisition or manufacturing costs less accumulated depreciation and impairment losses. With the exception of land, property, plant and equipment (PPE) is always depreciated using the straight-line method. As soon as there are indicators that carrying values may be overstated, these are reviewed and, if necessary, adjusted.

1.5 Intangible assets

Intangible assets generated internally are capitalized if they meet the following conditions cumulatively at the date of recognition:

- the intangible assets generated internally are identifiable and controlled by the entity;
- the intangible assets generated internally will generate a measurable benefit for the entity for more than one year;
- the expenses incurred with the creation of the intangible assets generated internally can be recognized and measured separately;
- it is likely that the resources required to complete and market or use the intangible assets for the entity's own purposes are available or will be made available.

Intangible assets are amortized using the straight-line method. As soon there are indicators that carrying values may be overstated, these are reviewed and, if necessary, adjusted.

1.6 Treasury shares

Treasury shares are recognized at acquisition cost and deducted from shareholders' equity at the time of acquisition. In case of a resale, the gain or loss is recognized through the income statement as financial income or financial expense, respectively.

Possible alternative accounting principles:

- Treasury shares are recognized at acquisition cost and deducted from shareholders' equity at the time of acquisition. In case of a resale, the gain or loss incurred is allocated or charged to the voluntary retained earnings.
- Treasury shares are recognized at acquisition cost and deducted from shareholders' equity at the time of acquisition. In case of a resale, the gain or loss incurred is allocated or charged to the legal capital reserves.

1.7 Revenue from sale of goods and services

Sales are recognized when risks and rewards are transferred to the client or a service has been provided. Normally, this is the case upon delivery of the goods. In cases where Industry Ltd is also responsible for the delivery and installation of delivered goods, revenue recognition only takes place once the installation has been completed.

Possible alternative accounting principle:

Revenue from services is recorded as at invoicing.

The service is invoiced once it has been rendered, at the latest at the end of each quarter.

1.8 Share-based payments

Should board members and employees receive treasury shares as part of a share-based compensation program, the difference between the acquisition costs of the treasury shares and any consideration paid by the employees is recognized as personnel expenses. These expenses are allocated across the entire vesting period if the actual shares are only handed over at a later date and if it depends on the employee remaining with the entity for a set period. Should the share-based compensation be related exclusively to performance during the year of the allocation, the entire expense is recorded in that year, regardless of the actual transfer date of the shares.

1.9 Leases

Leasing and rental contracts are recognized based on legal ownership. Therefore, any leasing or rental expenses are recognized as expenses in the period they are incurred; however, the leased or rented objects themselves are not recognized in the balance sheet.

Possible alternative accounting principles:

Leasing transactions are recognized in the balance sheet on a substance over form basis. For this, leasing agreements and rental leases are classified as finance leases if essentially all of the risks and benefits related to the ownership of the leased object have been transferred to Industry Ltd as the lessee. All other leasing transactions are considered operating leases.

For finance leases the value of the leased or rented object is capitalized in property, plant and equipment (PPE) at the beginning of the contract; the same amount is recorded as leasing liability. The depreciation of PPE and the amortization of the leasing liabilities then take place over the leasing period.

For operating leases, the rental and leasing rates paid are directly recognized in the income statement when they become due.

Article 959c(1)(2) CO

2. Information on balance sheet and income statement items

2.1 Trade accounts receivable

CHF 1,000	31.12.20x1	31.12.20x0
Receivables from third parties	8,884	7,585
Valuation adjustments	-1,237	-1,397
Article 959a(4) CO Receivables from shareholders	325	342
Article 959a(4) CO Receivables from companies in which the entity holds an investment	9,309	9,240
Receivables from other group companies	3,675	4,210
Total	20,956	19,980

2.2 Inventories and non-invoiced services

CHF 1,000	31.12.20x1	31.12.20x0
Raw materials and supplies	5,670	4,893
Work in progress	22,718	21,329
Finished goods	14,605	14,636
Non-invoiced services	1,318	1,520
Valuation adjustments	-13,133	-14,200
Total	31,178	28,178

2.3 Investments

Article 959c(2)(3) CO

Company	Domicile	Capital in 1,000		Share in voting and capital rights, in %	
		31.12.20x1	31.12.20x0	31.12.20x1	31.12.20x0
Industry Finance AG	Zurich	CHF 100	CHF 100	100	100
Betatechnik AG	St. Gall	CHF 1,000	CHF 1,000	75	75
Industrie-Productions SA	Lausanne	CHF 1,000	CHF 1,000	100	100
Omega AG	Vienna	EUR 2,000	EUR 2,000	20	20
Delta AG	Salzburg	EUR 2,000	EUR 2,000	20 (indirectly held)	20 (indirectly held)

2.4 Property, plant and equipment

CHF 1,000	31.12.20x1	31.12.20x0
Operating properties	14,805	15,120
Non-operating properties	4,900	5,300
Land reserve	5,600	0
Installations and equipment	42,324	33,702
Vehicles	8,913	7,878
Total	76,542	62,000

Article 959c (2)(12)
CO

In the course of the relocation of a part of the production from Zurich to Winterthur in 20x0 and 20x1, impairment losses on operating properties and installations and equipment in the amount of CHF 2,910k and CHF 2,224k, respectively, had to be recognized.

In 20x1, the company acquired a plot of land in Winterthur next to the production facilities, which is currently held as a land reserve.

2.5 Intangible assets

Intangible assets mainly consist of software (developed by third parties or acquired) and capitalized costs of internally generated and patented production methods.

2.6 Trade accounts payable

CHF 1,000	31.12.20x1	31.12.20x0
Accounts payable due to third parties	16,934	14,302
Article 959a(4) CO Accounts payable due to companies in which the entity holds an investment	4,919	3,286
Accounts payable due to other group companies	2,436	3,101
Total	24,289	20,689

2.7 Other short-term liabilities

CHF 1,000	31.12.20x1	31.12.20x0
Liabilities due to third parties	4,835	10,147
Article 959c(2)(7) CO Liabilities due to pension fund	120	112
Article 959a(4) CO Liabilities due to governing bodies (board of directors and auditors)	45	30
Total	5,000	10,289

2.8 Long-term interest-bearing liabilities

CHF 1,000	31.12.20x1	31.12.20x0
Article 959a(4) CO Loans from companies in which the entity holds an investment	17,500	17,000
Bank loans	20,860	17,500
Other interest-bearing liabilities due to third parties	2,929	6,656
Total	41,289	41,156

Overview by maturity:

Article 961a(1) CO Disclosure requirements for larger companies	CHF 1,000	31.12.20x1	31.12.20x0
Up to five years		5,089	5,156
More than five years		36,200	36,000
Total		41,289	41,156

2.9 Share capital and reserves from capital contributions

On 30 April 20x1, the company increased its share capital by CHF 9,000k (par value CHF 2,500k, reserves from capital contributions CHF 6,500k). As at 31.12.20x1, the share capital consists of 170,000 registered shares at a par value of CHF 100 each.

2.10 Treasury shares

Article 959c(2)(4)
and (5) CO

Number of registered shares	20x1	20x0
Inventory as at 1.1.	157	3,209
Acquisitions	77	0
Sales	0	-2,260
Allocation to board members and employees	0	-792
Inventory as at 31.12.	234	157

In 20x1, 77 registered shares were purchased at the price of CHF 300 each. In 20x0, 2,260 registered shares were sold and 792 registered shares were allocated to board members and employees. The average selling price was CHF 280 each.

A subsidiary holds, as of 31 December 20x1, 1,643 registered shares of Industry Ltd, which it acquired in 20x-1 at a price of CHF 280 each. Industry Ltd recorded a reserve for treasury shares accordingly.

2.11 Revenue from sale of goods and services

CHF 1,000	20x1	20x0
Revenue from the sale of goods	153,827	127,058
Revenue from the delivery of services	12,817	10,453
Total	166,644	137,511

2.12 Non-operating income and expenses

Non-operating income and expenses include rental income and relevant costs related to non-operating properties.

Article 959c(2)(12) CO

2.13 Extraordinary expenses

Extraordinary expenses of CHF 350k relate to the costs of the clean-up after the storm in August 20x1, which destroyed part of the production facility.

3. Other information

3.1 Net release of hidden reserves

Article 959c(1)(3) CO	CHF 1,000	20x1	20x0
	Total net release of hidden reserves	0	1,789

3.2 Full-time equivalent employees

Article 959c (2)(2) CO

The annual average number of full-time equivalent employees for the reporting year, as well as the previous year, exceeded 250.

3.3 Residual amount of leasing obligations

The maturity of leasing obligations which have a residual term of more than twelve months or which cannot be canceled within the next twelve months is as follows:

Article 959c(2)(6) CO	CHF 1,000	31.12.20x1	31.12.20x0
	Up to 1 year	2,543	3,125
	1–5 years	1,783	1,955
	More than 5 years	341	657
	Total	4,667	5,737

These amounts include payments related to rental or leasing contracts up to the end of their (a) contract period or (b) notice period, as applicable.

Article 959c (2)(8) CO

3.4 Collateral for third-party liabilities

Collateral provided for liabilities of third parties amounts to CHF 12,500k (previous year: CHF 13,000k). These are guarantees issued on behalf of subsidiaries.

Article 959c(2)(9) CO

3.5 Assets pledged to secure own liabilities, as well as assets with retention of title

Assets pledged to secure own liabilities amount to CHF 50,000k (previous year: CHF 40,000k). They are pledged to secure interest-bearing liabilities. None of the company's assets bear a retention of title.

Article 959c(2)(10) CO

3.6 Contingent liabilities

In summer 20x0, a court case was initiated against the company in regard to a product liability incident. The plaintiff is claiming compensation amounting to CHF 3,000k. An initial decision by court is expected for summer 20x2. The company expects the case to be dismissed. Provisions have been recorded to cover the expected expenses.

Article 959c(2)(11) CO

3.7 Shares or options on shares for members of the board and employees

In 20x1, no shares or options on shares were allocated to members of the board or to employees. The following information relates to the allocation in 20x0 (valued at the tax value of CHF 250 for each share):

	Shares		Options		Value CHF 1,000
	Quantity	Value CHF 1,000	Quantity	Value CHF 1,000	
20x0					
Allocated to board members	360	90	0	0	90
Allocated to employees	432	108	0	0	108
Total	792	198	0	0	198

3.8 Audit fees

Article 961a(2) CO
 Disclosure requirements for larger companies

CHF 1,000	20x1	20x0
Audit services (stand-alone financial statements and consolidated financial statements)	120	110
Other services	15	15
Total	135	125

Article 959c(2)(13) CO

3.9 Significant subsequent events

The investment in Betatechnik AG was sold to a third party as at 20 January 20x2. The transaction resulted in a gain on sale of approximately CHF 500k.

03

Holding Ltd, Zurich

Illustrative financial statement

Balance sheet

Assets

Article 959a(1) CO	CHF 1,000	Notes	31.12.20x1	31.12.20x0
	Cash and cash equivalents		8,838	9,834
	Securities listed on a stock exchange		233	274
	Other short-term receivables			
	• from third parties		105	51
Article 959a(4) CO	• from companies in which the entity holds an investment		10,132	15,089
	Prepaid expenses and accrued income	2.1	989	961
	Total current assets		20,297	26,209
	Financial assets	2.2	104,226	101,824
	Investments	2.3	201,530	201,530
	Property, plant and equipment		52	65
	Prepaid expenses and accrued income	2.1	1,519	2,439
	Total non-current assets		307,327	305,858
	Total Assets		327,624	332,067

Liabilities and shareholders' equity

Article 959a(2) CO	CHF 1,000	Notes	31.12.20x1	31.12.20x0
	Trade accounts payable		151	256
	Other short-term liabilities due to companies in which the entity holds an investment		1,241	806
	Short-term provisions	2.4	0	405
	Accrued expenses and deferred income		273	53
	Total short-term liabilities		1,665	1,520
	Long-term interest-bearing liabilities			
	• from third parties	2.5	167,646	181,785
Article 959a(4) CO	• due to shareholders	2.5	8,000	8,000
	Total long-term liabilities		175,646	189,785
	Total liabilities		177,311	191,305
	Share capital	2.6	35,000	35,000
	Legal capital reserve			
	• Reserve from capital contributions	2.7	16,853	26,845
	• Other capital reserve		18,264	18,264
	Legal retained earnings			
	• Reserve for treasury shares	2.8	785	785
	Treasury shares	2.9	-398	-473
	Available earnings			
	• Profit brought forward		60,341	41,460
	• Profit for the year		19,468	18,881
	Total shareholders' equity		150,313	140,762
	Total liabilities and shareholders' equity		327,624	332,067

Income statement

Option 1: presentation focused on the company's business purpose

Articles 958d as well
 as 959b(2) CO

CHF 1,000	Notes	20x1	20x0
Dividend income	2.10	21,743	21,032
Other financial income	2.11	5,197	5,091
Other operating income		23	17
Total income		26,963	26,140
Financial expenses	2.12	-4,189	-4,074
Personnel expenses		-635	-678
Other operating expenses	2.13	-2,569	-2,281
Impairment losses on investments		0	-120
Depreciation on property, plant and equipment		-13	-27
Direct taxes		-89	-79
Total expenses		-7,495	-7,259
Profit for the year		19,468	18,881

Option 2: presentation focused on the legal minimum requirements for structure

Articles 958d as well
 as 959b(2) CO

CHF 1,000	Notes	20x1	20x0
Other operating income		23	17
Dividend income	2.10	21,743	21,032
Other financial income	2.11	5,197	5,091
Total income		26,963	26,140
Personnel expenses		-635	-678
Other operating expenses	2.13	-2,569	-2,281
Impairment losses on investments		0	-120
Depreciation on property, plant and equipment		-13	-27
Financial expenses	2.12	-4,189	-4,074
Direct taxes		-89	-79
Total expenses		-7,495	-7,259
Profit for the year		19,468	18,881

Note: the income statement may also be presented in other appropriate ways other than the options 1 and 2 illustrated above.

Possible alternative: income statement in vertical format

Articles 958d as well
 as 959b(2) CO

Option 1: presentation focused on the company's business purpose

CHF 1,000	Notes	20x1	20x0
Dividend income	2.10	21,743	21,032
Other financial income	2.11	5,197	5,091
Other operating income		23	17
Total operating income		26,963	26,140
Financial expenses	2.12	-4,189	-4,074
Personnel expenses		-635	-678
Other operating expenses	2.13	-2,569	-2,281
Operating result before taxes, depreciation and impairment losses		19,570	19,107
Impairment losses on investments		0	-120
Depreciation on property, plant and equipment		-13	-27
Profit for the year before taxes		19,557	18,960
Direct taxes		-89	-79
Profit for the year		19,468	18,881

Option 2: presentation focused on the legal minimum requirements for structure

Articles 958d as well
 as 959b(2) CO

CHF 1,000	Notes	20x1	20x0
Other operating income		23	17
Total operating income		23	17
Personnel expenses		-635	-678
Other operating expenses	2.13	-2,569	-2,281
Operating result before financial result, taxes, depreciation and impairment losses		-3,181	-2,942
Impairment losses on investments		0	-120
Depreciation on property, plant and equipment		-13	-27
Operating results before financial result and taxes		-3,194	-3,089
Dividend income	2.10	21,743	21,032
Other financial income	2.11	5,197	5,091
Financial expenses	2.12	-4,189	-4,074
Profit for the year before taxes		19,557	18,960
Direct taxes		-89	-79
Profit for the year		19,468	18,881

Note: The income statement may also be presented in other appropriate ways other than the options 1 and 2 illustrated above.

Notes

Article 959c(1)(1) CO

1. Principles

1.1 General aspects

These annual financial statements were prepared according to the principles of the Swiss Law on Accounting and Financial Reporting (32nd title of the Swiss Code of Obligations). Where not prescribed by law, the significant accounting and valuation principles applied are described below.

Article 960b(1)
and (2) CO

1.2 Securities listed on a stock exchange

Securities with a short-term holding period are valued at their quoted market price as at the balance sheet date. A valuation adjustment reserve has not been accounted for.

1.3 Financial assets

Financial assets include long-term loans. Loans granted in foreign currencies are translated at the rate at the balance sheet date, whereby unrealized losses are recorded but unrealized profits are not recognized.

1.4 Treasury shares

Treasury shares are recognized at acquisition cost and deducted from shareholders' equity at the time of acquisition. In case of a resale, the gain or loss is recognized through the income statement as financial income or financial expense.

1.5 Share-based payments

Should board members receive treasury shares as part of a share-based compensation program, the difference between the acquisition costs of the treasury shares and any consideration paid by board members is recognized as personnel expenses. These expenses are allocated across the entire vesting period if the actual shares are only handed over at a later date and if it depends on the board member remaining with the entity for a set period. Should the share-based compensation be related exclusively to performance during the year of the allocation, the entire expense is recorded in that year, regardless of the actual transfer date of the shares.

1.6 Long-term interest-bearing liabilities

Interest-bearing liabilities are recognized in the balance sheet at nominal value. Discounts and issue costs for bonds are recognized as prepaid expenses and amortized on a straight-line basis over the bond's maturity period. Premiums are recognized as accrued expenses and amortized on a straight-line basis over the bond's maturity period.

Article 961d(1)(1) CO

1.7 Foregoing a cash flow statement and additional disclosures in the notes

As Holding Ltd has prepared its consolidated financial statements in accordance with a recognized accounting standard (Swiss GAAP FER), it has decided to forego presenting additional information on interest-bearing liabilities and audit fees in the notes as well as a cash flow statement in accordance with the law.

Article 959c(1)(2) CO

2. Information on balance sheet and income statement items

2.1 Prepaid expenses and accrued income

Long-term prepaid expenses and accrued income contain the not-yet-amortized amount of the discount and the issue costs which arose when the bond was issued. The part to be amortized in the following year is recognized in the short-term prepaid expenses and accrued income.

2.2 Financial assets

CHF 1,000	31.12.20x1	31.12.20x0
Loans granted to companies in which the entity holds an investment	104,226	101,824
Total	104,226	101,824

Article 959a(4) CO

2.3 Investments

Article 959c(2)(3) CO

Company	Domicile	Capital in 1,000		Share in voting and capital rights, in %	
		31.12.20x1	31.12.20x0	31.12.20x1	31.12.20x0
Alpha AG	Zurich	CHF 100	CHF 100	100	100
Beta B.V.	Amsterdam	EUR 1,000	EUR 1,000	75	75
Gamma GmbH	Hamburg	EUR 1,000	EUR 1,000	100	100
Delta SpA	Rome	EUR 2,000	EUR 2,000	100	100
Epsilon SA	Paris	EUR 2,500	EUR 2,500	30 (indirectly held)	30 (indirectly held)

2.4 Short-term provisions

The previous year's short-term provisions related to a conditional purchase price for the acquisition of an investment.

2.5 Long-term interest-bearing liabilities

CHF 1,000	31.12.20x1	31.12.20x0
Bonds	145,000	145,000
Bank loans	22,646	36,785
Loans from shareholders	8,000	8,000
Total	175,646	189,785

Loan conditions:

Article 959c(4) CO	CHF 20,000 k 20x-2–20x3	CHF 60,000 k 20x-1–20x4	CHF 65,000 k 20x0–20x5
Nominal value as at 31.12.20x1 (CHF 1,000)	20,000	60,000	65,000
Nominal value as at 31.12.20x0 (CHF 1,000)	20,000	60,000	65,000
Interest rate in %	1.25	1.00	2.00
Duration in years	5	5	5
Maturity	30.06.20x3	31.10.20x4	31.03.20x5

2.6 Share capital and capital band

Share capital in the amount of CHF 35,000k consists of 4,375,000 registered shares at a par value of CHF 8.00 each.

At the Annual General Meeting of 1 May 20x0, the Board of Directors was authorized to increase or decrease the share capital by a maximum of CHF 8,000k, split into 1,000,000 registered shares at a par value of CHF 8.00 each, by 30 April 20x4 at the latest.

2.7 Reserves from capital contributions

The reserves from capital contributions include the premium from capital increases in the years 20x-8 and 20x-9, minus the dividends distributed to date.

From a fiscal point of view, any distributions made from reserves from capital contributions are treated the same as a repayment of share capital. The Swiss Federal Tax Administration (SFTA) has confirmed that it will recognize disclosed reserves from capital contributions as a capital contribution as per Article 5(1^{bis}) Withholding Tax Act.

2.8 Reserves for treasury shares

In 20x-6, a subsidiary acquired 4,361 registered shares of Holding Ltd at a price of CHF 180 each. A respective reserve for treasury shares was recorded.

Article 959c(2)(4)
and (5) CO

Article 959c(2)(4)
 and (5) CO

2.9 Treasury shares

Number of registered shares	Number of transactions	Lowest rate in CHF	Highest rate in CHF	Average rate of transaction in CHF	Quantity
Inventory as at 1.1.20x0					3,210
Acquisitions	5	240	246	243	1,540
Sales	4	249	251	250	-1,580
Allocation to board members	1			244	-1,255
Inventory as at 31.12.20x0					1,915
Acquisitions	3	239	246	243	1,365
Sales	2	250	253	252	-355
Allocation to board members	1			242	-1,305
Inventory as at 31.12.20x1					1,620

As at balance sheet date, acquisition cost for directly held treasury shares amounted to CHF 398k (previous year: CHF 473k).

2.10 Dividend income

In the reporting year, dividend income amounted to CHF 21,743k (previous year: CHF 21,032k). This amount included dividends distributed by Alpha AG in the amount of CHF 8,000k for the 20x1 business year. The dividends were recorded as a receivable. This approach is permitted since Alpha AG closes its accounts on the same balance sheet date, and its Annual General Meeting has already approved the dividend.

2.11 Other financial income

Other financial income amounts to CHF 5,197k (previous year: CHF 5,091k) and consists mostly of interest income from loans to companies in which the entity holds an investment.

2.12 Financial expenses

CHF 1,000	31.12.20x1	31.12.20x0
Bank interest and fees	685	1,103
Interest to shareholders	310	310
Interest on bonds	2,150	1,825
Amortization of discounts and issue costs	920	820
Exchange losses	124	16
Total	4,189	4,074

2.13 Other operating expenses

CHF 1,000	31.12.20x1	31.12.20x0
Administrative expenses	1,101	987
Consulting expenses	896	1,110
Other operating expenses	572	184
Total	2,569	2,281

3. Other information

Article 959c(2)(2) CO

3.1 Full-time equivalents

Holding Ltd does not have any employees.

Article 959c(2)(8) CO

3.2 Collateral for third-party liabilities

Collateral provided for liabilities of third parties amounts to CHF 12,500 k (previous year: CHF 13,000k). These are sureties, letters of comfort and guarantees issued in favor of subsidiaries.

3.3 Shares or options on shares for members of the board

According to the compensation plan, Board members' fees are paid in shares at a minimum of 30 percent and up to a maximum of 50 percent. Treasury shares are used for share-based compensation. The number of shares is calculated based on the average share price over the last ten days prior to the allocation.

The allocation was as follows:

Article 959c(2)(11) CO	20x1		20x0	
	Quantity	Value CHF 1,000	Quantity	Value CHF 1,000
Allocated to members of the board	1,305	316	1,255	306

Article 959c(2)(13) CO

3.4 Significant events after the balance sheet date

There are no significant events after the balance sheet date which could impact the book value of the assets or liabilities or which should be disclosed here.

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Non-Profit Foundation, Zurich

Illustrative financial statement

Balance sheet

Article 959a(1) CO

Assets

CHF 1,000	Notes	31.12.20x1	31.12.20x0
Cash and cash equivalents	2.1	5,221	3,892
Other short-term receivables		369	257
Prepaid expenses and accrued income		224	89
Total short-term assets		5,814	4,238
Financial assets	2.2	9,957	8,951
Valuation adjustment reserve	2.2	-1,590	-987
Property, plant and equipment	2.3	3,456	3,836
Total non-current assets		11,823	11,800
Total Assets		17,637	16,038

Article 960b(2) CO

Liabilities and shareholders' equity

Article 959a(2) CO

CHF 1,000	Notes	31.12.20x1	31.12.20x0
Trade accounts payable		156	154
Other short-term liabilities		358	479
Accrued expenses and deferred income		2,044	1,459
Total short-term liabilities		2,558	2,092
Long-term interest-bearing liabilities	2.4	1,500	1,500
Total long-term liabilities		1,500	1,500
Total liabilities		4,058	3,592
Foundation capital		10,000	10,000
Available earnings			
• Profit brought forward		2,446	501
• Profit for the year		1,133	1,945
Total equity		13,579	12,446
Total liabilities and shareholders' equity		17,637	16,038

Income statement

Article 959b(2) CO

CHF 1,000	Notes	20x1	20x0
Donations received	2.5	27,258	28,241
Other operating income		468	587
Total operating income		27,726	28,828
Contributions and donations paid	2.6	-22,103	-21,993
Personnel expenses		-881	-793
Other operating expenses	2.7	-3,608	-3,698
Depreciation and impairment losses on property, plant and equipment		-380	-401
Operating result		754	1,943
Financial income	2.8	1,093	799
Financial expenses	2.9	-714	-797
Profit for the year		1,133	1,945

Notes

Article 959c(1)(1) CO

1. Principles

1.1 General aspects

These annual financial statements were prepared according to the principles of the Swiss Law on Accounting and Financial Reporting (32nd title of the Swiss Code of Obligations). Where not prescribed by law, the significant accounting and valuation principles applied are described below.

Article 960b(1)
and (2) CO

1.2 Financial assets

The securities in investments are valued at quoted market price or another observable market price as at the balance sheet date. In order to account for fluctuations in value, the entity records a valuation adjustment reserve, which amounts to the difference between the market price as at balance sheet date and lower historical acquisition cost.

1.3 Property, plant and equipment

Property, plant and equipment (PPE) is valued at acquisition or manufacturing costs less accumulated depreciation and impairment losses. With the exception of land, PPE is depreciated using the straight-line method. If there is an indication of impairment, the carrying amounts are reassessed and, where necessary, adjusted.

The estimated useful lives of PPE are as follows:

Plots of land	unlimited
Buildings	50 years
Equipment, furniture	5 years

Article 959c(1)(2) CO

2. Information on balance sheet and income statement items

2.1 Cash and cash equivalents

Cash and cash equivalents include cash in hand, postal and bank accounts.

2.2 Financial assets

CHF 1,000	31.12.20x1	31.12.20x0
Bonds in CHF	4,156	4,589
Bonds in foreign currencies	967	1,514
Domestic shares	2,958	1,925
Foreign shares	1,876	923
Total financial assets at quoted market price or another observable market price	9,957	8,951
Valuation adjustment reserve	-1,590	-987
Total acquisition cost for financial assets	8,367	7,964

2.3 Property, plant and equipment

CHF 1,000	31.12.20x1	31.12.20x0
Land and buildings	2,919	3,157
Equipment, furniture	546	679
Total	3,465	3,836

2.4 Long-term interest-bearing liabilities

The long-term interest-bearing liability is a mortgage granted by Bank X.

2.5 Donations received

CHF 1,000	20x1	20x0
Contributions by sponsors	9,689	8,547
Donations and endowments	17,569	19,694
Total	27,258	28,241

2.6 Contributions and donations paid

CHF 1,000	20x1	20x0
Support for hardship cases	9,890	8,547
Counselling and support in emergencies	6,524	7,105
Project contributions	5,689	6,341
Total	22,103	21,993

2.7 Other operating expenses

CHF 1,000	20x1	20x0
Public relations, advertising	1,447	1,801
IT expenses	401	568
Property maintenance (maintenance, repairs, third-party services)	541	302
General administrative expenses	1,219	1,027
Total	3,608	3,698

2.8 Financial income

CHF 1,000	20x1	20x0
Interest and dividend income	258	235
Price gains on financial assets	835	62
Decrease in valuation adjustment reserves	0	502
Total	1,093	799

2.9 Financial expenses

CHF 1,000	20x1	20x0
Interest rate expenses	75	75
Fees and charges	6	5
Price losses on financial assets	30	717
Increase in valuation adjustment reserves	603	0
Total	714	797

3. Other information

Article 959c(2)(2) CO

3.1 Full-time equivalents

The annual average number of full-time equivalent employees for the reporting year, as well as the previous year, did not exceed 10.

Article 959c(2)(9) CO

3.2 Assets pledged to secure own liabilities

With a book value of CHF 2,919k (previous year: CHF 3,157k), land and buildings are encumbered with mortgages amounting to CHF 1,500k (previous year: CHF 1,500k).

Article 959c(2)(13) CO

3.3 Significant events after the balance sheet date

There are no significant events after the balance sheet date which could impact the book value of the assets or liabilities or which should be disclosed here.

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Annex

Disclosure checklist

1. Rules concerning annual financial statements (stand-alone financial statements)

1.1 General Provisions

Reference in CO	Control question	Yes	N/A	No	Comment
Article 958(2)	The financial reporting forms part of the annual report which contains the financial statements. Do the financial statements consist of the balance sheet, the income statement and the notes?	<input type="checkbox"/>		<input type="checkbox"/>	_____
Article 958a(2)	If it is intended to discontinue all or part of the entity's activities – or if such a discontinuation cannot be averted – within twelve months from the balance sheet date: is the accounting for the business activities concerned based on liquidation values?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Article 958a(2)	If it is intended to discontinue all or part of the entity's activities – or if such a discontinuation cannot be averted – within twelve months from the balance sheet date: have provisions been recorded for expenditures associated with the discontinuation?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Article 958b(1)	Has the cut-off (accrual accounting) of expenses and income been properly performed? <i>Note: Provided the net proceeds from the sale of goods or services or financial income does not exceed CHF 100,000, a company may use cash accounting ("expenditure and income") instead of accrual accounting (Art. 958b(2) CO). If financial reporting is not in Swiss francs, the annual average exchange rate is used to ascertain the relevant value for the aforementioned CHF 100,000 (Article 958b(3) CO).</i>	<input type="checkbox"/>		<input type="checkbox"/>	_____
Article 958d(1)	Are the balance sheet and the income statement presented either in the account form or in the report form?	<input type="checkbox"/>		<input type="checkbox"/>	_____
Article 958d(2)	Do the financial statements present the current period and the corresponding prior period figures? <i>Note: Answer "n/a" only possible for newly founded entities.</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Article 958d(3)	Are the financial statements presented in either Swiss francs or the currency relevant to the entity's business activities (functional currency)?	<input type="checkbox"/>		<input type="checkbox"/>	_____
Article 958d(3)	If presented in a currency other than Swiss francs: are all the amounts of the balance sheet, the income statement, the notes and the cash flow statement (if applicable) additionally disclosed in Swiss francs?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Article 958d(4)	Is the financial reporting presented in either an official language of Switzerland or in English?	<input type="checkbox"/>		<input type="checkbox"/>	_____

1.2 Balance sheet

Reference in CO	Control question	Yes	N/A	No	Comment
Article 959a(1)	Does the balance sheet as a minimum present the following line items separately on the asset side?				
	Current assets	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
	• Cash (and cash equivalents) and assets with a quoted market price held for a short-term	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
	• Trade accounts receivable	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
	• Other short-term receivables	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
	• Inventories and non-invoiced services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
	• Prepaid expenses and accrued income	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
	Non-current assets	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
	• Financial assets	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
	• Investments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
	• Property, plant and equipment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
	• Intangible assets	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
	• Not yet paid-in share capital, partners' capital or endowment capital	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
	Are the above line items presented in the prescribed sequence?	<input type="checkbox"/>		<input type="checkbox"/>	_____
Article 959a(2)	Does the balance sheet as a minimum present the following line items separately on the liability/ shareholders' equity side?				
	Current liabilities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
	• Trade accounts payable	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
	• Short-term interest-bearing liabilities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
	• Other short-term liabilities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
	• Accrued expenses and deferred income	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
	Non-current liabilities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
	• Long-term interest-bearing liabilities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
	• Other long-term liabilities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
	• Provisions and similar items according to the law	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
	Shareholders' equity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
	• Share capital, partners' capital or foundation capital, if applicable separately per category	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
	• Legal capital reserves				
	Note: Possible sub-items:				
	– (Fiscal) reserves from capital contributions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
	– Other capital reserves				
	• Legal retained earnings				
	Note: Possible sub-items:				
	– General legal retained earnings in the narrower sense	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
	– Revaluation reserves				
	– Reserves for treasury shares (for shares held in controlled entities (Article 963 CO))	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
	• Voluntary retained earnings	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
	• Treasury shares (as a negative amount)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
	• Profit brought forward or loss brought forward (as a negative amount)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
	• Profit for the year or loss for the year (as a negative amount)	<input type="checkbox"/>		<input type="checkbox"/>	_____
	Are the above line items presented in the prescribed sequence?	<input type="checkbox"/>		<input type="checkbox"/>	_____

Reference in CO	Control question	Yes	N/A	No	Comment
Article 959a(3)	To the extent that it is material for the assessment of the financial position of the entity by third parties or common practice in the entity's business area: are other items presented separately either in the balance sheet or in the notes to the financial statements?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Article 959a(4)	Are the following receivables and liabilities disclosed separately either in the balance sheet or in the notes to the financial statements?				
	<ul style="list-style-type: none"> • Receivables due from/liabilities due to direct or indirect holders of equities 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
	<ul style="list-style-type: none"> • Receivables due from/liabilities due to governing bodies <i>Note: According to the law, there is no specific requirement for separate disclosure of receivables due from/liabilities due to governing bodies. These may also be presented together with receivables due from/liabilities due to direct or indirect holders of equities within the same line item.</i> 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
	<ul style="list-style-type: none"> • Receivables due from/liabilities due to entities in which the entity holds an investment, either directly or indirectly 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Article 959(3)	Do current assets comprise only cash and other assets that are probably turned into cash or otherwise realized within one year from the balance sheet date or during the normal business cycle?	<input type="checkbox"/>		<input type="checkbox"/>	_____
Article 959(6)	Do current liabilities comprise all the liabilities that will be payable within one year from the balance sheet date or within the normal business cycle?	<input type="checkbox"/>		<input type="checkbox"/>	_____
Article 959(7)	Is shareholders' equity presented and structured according to the entity's legal form?	<input type="checkbox"/>		<input type="checkbox"/>	_____

1.3 Erfolgsrechnung

Reference in CO	Control question	Yes	N/A	No	Comment
Article 959b(2)	<p>If the income statement is presented by function of production: are the following line items, as a minimum, presented separately?</p> <ul style="list-style-type: none"> • Net revenue from the sale of goods and services • Changes in inventory of finished goods and work in progress as well as non-invoiced services • Raw materials and supplies • Personnel expenses • Other operating expenses • Amortization and value adjustments on items in non-current assets • Financial expenses • Financial income • Non-operating expenses • Non-operating income • Extraordinary, non-recurring or prior period expenses • Extraordinary, non-recurring or prior period income • Direct taxes • Profits/Loss for the year (net) <p>Are the above line items presented in the prescribed sequence?</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Article 959b(3)	<p>If the income statement is presented by function of expense: are the following line items, as a minimum, presented separately?</p> <ul style="list-style-type: none"> • Revenue from sale of goods and services • Purchase or production costs of sold products or services • Administrative expenses and distribution costs • Financial expenses • Financial income • Non-operating expenses • Non-operating income • Extraordinary, non-recurring or prior period expenses • Extraordinary, non-recurring or prior period income • Direct taxes • Profits/Loss for the year (net) <p>Are the above line items presented in the prescribed sequence?</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Article 959b(5)	<p>To the extent that it is material for the assessment of the results of operations of the business by third parties or common practice in the entity's industry: are other items presented separately either in the income statement or in the notes to the financial statements?</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____

1.4 Anhang

Reference in CO	Control question	Yes	N/A	No	Comment
Article 959c(3)	Only sole proprietorships and partnerships				
Article 959c(3)	For sole proprietorships or partnerships that are not required to comply with the requirements for larger entities: if the requirement to prepare notes has been waived, is information additionally required as a minimum structure of the balance sheet and the income statement presented directly in the balance sheet or the income statement?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Article 959c(1) (1)-(3)	Do the notes contain the following information?				
Article 959c(1)(1)	1. Description of the accounting policies applied in the preparation of the financial statements, to the extent these are not prescribed by law	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Article 959c(1)(2)	2. Disclosure and breakdown and explanations on balance sheet and income statement line items	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Article 959c(1)(3)	3. The total amount of replacement reserves used and the additional hidden reserves, if this exceeds the total amount of new reserves of the same type where the result achieved thereby is considerably more favorable	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Article 959c(1)(4)	Do the notes also disclose the other information required by law?				
Article 958a(3)	1. If the entity intends to discontinue all or part of its business activities – or if such a discontinuation cannot be averted – within twelve months from the balance sheet date: is the deviation from the going concern assumption disclosed and its influence on the financial position of the business explained?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Article 958d(3)	2. If presented in a currency other than Swiss francs: are the conversion rates disclosed and if necessary explained?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Article 959b(4)	3. If the income statement is presented with the cost-of-sales method: are personnel expenses and, as a single item, depreciation and impairment losses on non-current assets disclosed?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Article 959c(4)	4. If the company has bonds outstanding: is the following disclosed:				
	• Amount	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
	• Interest rate	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
	• Maturities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
	• Other terms and conditions such as subordination, conversion, options, collateral, private placements, early repayment clauses, restrictions, etc.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
	5. If assets are valued at quoted market prices or other observable market prices:				
Article 960b(1)	• Do the notes disclose this valuation?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Article 960b(1)	• Is the total value of the respective assets disclosed, separately for securities and other assets with an observable market price?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Article 960b(2)	• Is the amount of the fluctuation reserve disclosed separately in either the balance sheet or the notes to the financial statements?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____

Continued on next page

Reference in CO	Control question	Yes	N/A	No	Comment
Article 725c(1)	6. If revaluations exceeding the historical costs were made: is information on the subject and the amount of any revaluations disclosed	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
	7. If applicable: are any other disclosures required by other (special) laws (e.g. Merger Act)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Article 959c(2) (1)-(14)	Is the following information disclosed in the notes or has it already been included in the balance sheet or in the income statement?				
Article 959c(2)(1)	1. General aspects Do the notes contain the following information:				
	• Company name?	<input type="checkbox"/>		<input type="checkbox"/>	_____
	• Legal form?	<input type="checkbox"/>		<input type="checkbox"/>	_____
	• Domicile?	<input type="checkbox"/>		<input type="checkbox"/>	_____
Article 959c(2)(2)	2. Full-time equivalent employees Do the notes declare whether full-time equivalents, on an annual average, exceed 10, 50 or 250, respectively?	<input type="checkbox"/>		<input type="checkbox"/>	_____
Article 959c(2)(3)	3. Investments Do the notes contain a list of all entities in which the company holds direct or significant indirect investments, showing the following information?				
	• Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
	• Legal form	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
	• Domicile/country	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
	• Share in voting and capital rights (in %)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Article 959c(2)(4)	4. Treasury shares Do the notes contain details of the number				
	• of treasury shares held by the company itself and	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
	• entities it controls (Article 963 CO)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Article 959c(2)(5)	5. Changes to treasury shares Do the notes contain information on the purchase and sale of treasury shares, including the terms and conditions, as well as their:				
	• opening balance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
	• purchase	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
	• sale	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
	• closing balance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
	• terms and conditions of purchases	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
	• terms and conditions of sales	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Article 959c(2)(6)	6. Lease obligations Do the notes disclose the residual liabilities arising from leasing transactions which are similar to sales contracts and other leasing obligations, unless these expire or can be canceled within 12 months after the balance sheet date?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Article 959c(2)(7)	7. Liabilities to pension funds Do the notes disclose liabilities to pension schemes?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____

Continued on next page

Reference in CO	Control question	Yes	N/A	No	Comment
Article 959c(2)(8)	8. Collateral for third-party liabilities Do the notes disclose the total amount of the collateral provided for third-party liabilities?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Article 959c(2)(9)	9. Securing own liabilities Are the following amounts disclosed in the notes? • Assets pledged to secure own liabilities • Assets put under ownership reservation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____ _____
Article 959c(2)(10)	10. Contingent liabilities Do the notes disclose the legal or actual obligations for which a cash outflow is unlikely or cannot be estimated reliably?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Article 959c(2)(11)	11. Shares or options awarded to employees Do the notes contain information about the number and value of shares or options on shares awarded during the period to members of senior management, the supreme governing and administrative body and to employees?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Article 959c(2)(12)	12. Extraordinary and prior-period items Do the notes contain explanations of extraordinary, non-recurring or prior-period items included in the income statement?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Article 959c(2)(13)	13. Events after the balance sheet date Do the notes disclose significant events that occurred after the balance sheet date?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Article 959c(2)(14)	14. Premature resignation or removal of the auditors Do the notes disclose the reasons for a premature resignation or removal of the auditors?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Article 959c(2)(15)	15. Capital increases and capital reductions Do the notes disclose all capital increases and capital reductions that the Board of Directors has made within a capital band?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____

2. Requirements for larger entities

2.1 Additional items to be covered in the annual report

Reference in CO	Control question	Yes	N/A	No	Comment
Article 961	Does the annual report also contain the following:				
	<ul style="list-style-type: none"> • A cash flow statement (as part of the financial statements)? • A management report? 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____

2.2 Notes

Reference in CO	Control question	Yes	N/A	No	Comment
Article 961a	Do the notes contain additional information on long-term interest-bearing liabilities, broken down according to the following maturities:				
	<ul style="list-style-type: none"> • Due within one to five years • Due in more than five years 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Article 961a	Are the auditor's fees disclosed, broken down by:				
	<ul style="list-style-type: none"> • Audit-related services and • Other services 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Article 964d(3)	For entities to which the provisions regarding transparency for commodities companies apply (Article 964d et seq.) and which do not prepare their own report on payments to government bodies:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
	Do the notes to the annual financial statements specify which other entity includes this in the report and is the report being published?				
Article 964i(5) in connection with DDTro Article 17(3)	For entities to which the provisions regarding due diligence and transparency in relation to minerals and metals from conflict-affected areas and child labour apply (Article 964j et seq.) and which do not prepare their own report on compliance with the due diligence obligations:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
	Do the notes to the annual financial statements specify which other entity includes this in the report and is the report being published?				

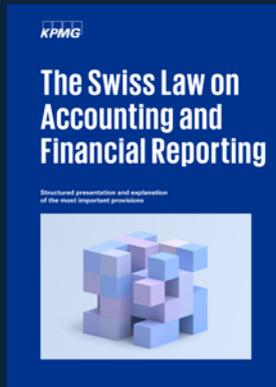
2.3 Cash flow statement

Reference in CO	Control question	Yes	N/A	No	Comment
Article 961b	Does the cash flow statement present the changes in cash and cash equivalents from:				
	• Operating activities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
	• Investment activities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
	• Financing activities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____

2.4 Management report

Reference in CO	Control question	Yes	N/A	No	Comment
Article 961c(1) Article 961c(3)	Does the management report provide information on the business performance and the entity's financial position, and if applicable, that of the group, as at the end of the year that are consistent with the stand-alone financial statements or the consolidated financial	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Article 961c(2)	Does the management report in particular provide information on:				
	• Number of full-time equivalents on an annual average	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
	• Performance of a risk assessment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
	• Orders and assignments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
	• Research and development activities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
	• Extraordinary events	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
	• Outlook	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____

Publications



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and Explanation
of the Main Changes**

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