

# FINANCIAL REPORT 2010

Swiss Paraplegics Group



# IMPRINT

## **Financial Report 2010 of the Swiss Paraplegics Group**

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### Frequent abbreviations

SPG	Swiss Paraplegics Group
SPF	Swiss Paraplegics Foundation
BA	Benefactors' Association of Swiss Paraplegics Foundation
SPC	Swiss Paraplegics Centre
SPA	Swiss Paraplegics Association
SPR	Swiss Paraplegics Research

# KEY PERFORMANCE INDICATORS

		2010	2009	2008	2007	2006
<b>Solidarity</b>						
Benefactors (paying, 1.1. to 31.12.)	Number	834,641	861,132	788,815	705,901	805,247
Income from annual memberships	CHF 1,000	63,197	n/a	n/a	n/a	n/a
Income from long-term memberships	CHF 1,000	403	n/a	n/a	n/a	n/a
Total income from memberships	CHF 1,000	63,600	62,425	63,241	n/a	n/a
Donations	CHF 1,000	2,125	1,814	1,912	3,781	n/a
Direct support by the Benefactors' Association	CHF 1,000	4,774	2,944	4,173	3,062	3,350
Support by the Foundation to						
directly affected paraplegics	CHF 1,000	6,296	4,935	4,850	7,396	7,474
non-covered SPC hospital costs for paraplegics	CHF 1,000	3,921	2,867	2,593	1,890	1,363
non-profit institutions	CHF 1,000	472	794	1,632	3,804	3,657
Medicine	CHF 1,000	13,620	13,680	14,860	12,133	18,411
Integration and lifelong assistance organisations	CHF 1,000	5,494	7,150	7,782	6,980	7,036
Research organisations	CHF 1,000	6,218	9,690	8,450	7,185	8,000
Solidarity (BA) net	CHF 1,000	3,000	0	0	0	0
Depreciation on operating properties in Nottwil	CHF 1,000	17,061	16,619	16,376	21,948	12,035
<b>Medicine</b>						
Available beds	Number	140	140	140	140	140
Bed occupancy	in %	93%	91%	91%	92%	88%
Completed cases of hospitalisation para/tetraplegics	Number	883	834	811	777	817
Care days	Days	47,660	46,330	46,781	46,910	44,766
Average care	Hours/patient/day	5.8	5.1	4.8	4.8	4.7
Care days of patients						
who have received artificial respiration	Days	7,668	7,104	6,554	2,869	2,302
Participants on SIRMED training courses	Number	4,387	3,536	4,038	3,262	n/a
SIRMED courses held	Number	381	345	336	253	96
Patients receiving care from ParaHelp	Number	517	467	444	439	398
ParaHelp care and support services	Hours	6,924	6,698	5,766	5,204	4,785
<b>Integration and lifelong assistance</b>						
Wheelchair clubs	Number	27	27	27	27	27
Members of all wheelchair clubs	Number	11,200	10,800	10,000	9,900	9,800
SPA events/functions	Number	316	320	310	340	350
Voluntary staff/voluntary work (full-time)	Number	33.0	32.0	31.8	29.0	29.2
for professional reintegration	Number	51	67	46	42	45
Consulting and support for professional reintegration	Hours	9,673	8,395	8,396	10,068	8,321
Consulting for accessible construction/conversion	Hours	7,700	7,600	7,400	7,000	7,800
Social and legal consulting	Hours	2,000	2,000	2,100	2,100	2,200
Converted vehicles	Number	310	300	261	253	265
Adapted, sold wheelchairs, electric/mechanical	Number	522	491	450	487	360
Package deliveries of incontinence articles	Number	11,500	11,102	10,324	9,559	9,042
<b>Research</b>						
Publications	Number	86	54	35	14	11
Ongoing/completed dissertations	Number	16	14	6	5	4
Ongoing/completed Master's theses	Number	8	12	6	3	1
Conference contributions	Number	108	86	38	6	9
<b>Employees</b>						
Group and affiliated organisations	Full-time positions	1,002.8	929.6	862.6	863.2	825.8





# FINANCIAL REPORT OF THE SWISS PARAPLEGICS GROUP

## Stable income and asset status – great challenges for the future

### Conversion to Swiss GAAP APR has proved worthwhile

The decision to also convert internal reporting to Swiss GAAP ARR in 2010 increased transparency within individual Group companies and made them easier to compare. Any knowledge gained as a result was fed into the cost-control process on an ongoing basis. For the 2010 accounts, this has involved some fairly minor changes in the way the notes are presented; reference has been made to these changes on an individual basis as appropriate.

### A 4% increase in total income

A satisfying CHF 3.3 million increase in benefactors' contributions and donations/inheritances was recorded as a result of an improved mix of membership types, with income from trade accounts also increasing by CHF 3.9 million. This

aggregate increase of CHF 7.2 million saw total income exceed CHF 200 million for the first time.

### Increased income absorbed by higher personnel costs

Ongoing improvements to services led to a significant expansion of manpower (+ 73.2 full-time positions), which increased costs by around CHF 5.6 million compared to the previous year. Total operating expenses increased by CHF 6.2 million, giving an EBIT of CHF 17.2 million, some CHF 1 million higher than the previous year, although, on the back of improved sales, the ratio (8.5%) barely differed from last year's (8.3%).

### Improved balance sheet

The Group's liabilities were reduced by CHF 26.4 million, with the level of organisation capital rising from 61.8% to 66.5% of total assets.

The net liquidity of the Group and affiliated organisations was CHF 38.4 million as of 31 December 2010 (previous year CHF 31.3 million).

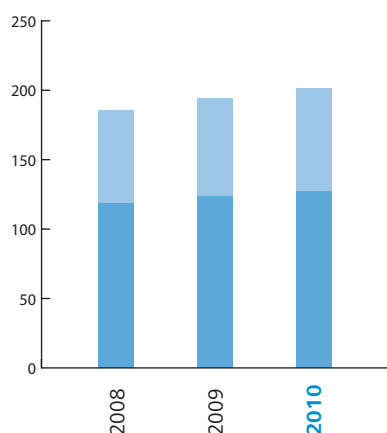
### Forecast: reduced income and cost pressures

Lower tariffs will be an unavoidable reality in 2011, resulting in over CHF 4 million of lost income. Cost pressures, particularly those associated with personnel, will persist, with a much lower EBIT predicted for 2011. The initial impact of the hospital financing programme for 2012 will be felt as early as 2011, with some adaptation and conversion costs being incurred in 2011. The allocation to internally generated restricted operating funds will decrease accordingly.

Pius Bernet  
Head of Finance and Controlling

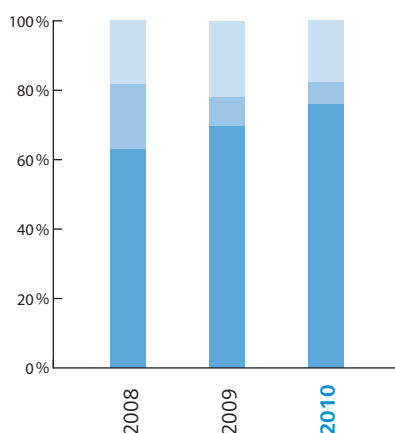
### Sales

- Benefactors' contributions, donations, inheritances
- Services, trading activities, diversives



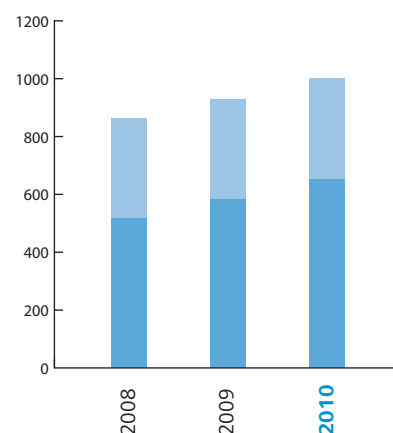
### Liabilities

- Long-term liabilities
- Short-term liabilities
- Organisation capital



### Personnel trends Full-time equivalent

- Non-medical personnel
- Medical personnel



# CONSOLIDATED BALANCE SHEET

1,000 CHF	Note	31.12.10	%	31.12.09 *	%
<b>Assets</b>					
Liquid assets	1	7,414	1.9	21,404	5.4
Short-term financial assets	2	533	0.1	1,118	0.3
Trade accounts receivable	3	17,545	4.5	16,902	4.3
Other receivables	4	990	0.3	256	0.1
Inventories and work in progress	5	3,836	1.0	3,406	0.8
Prepaid expenses/deferred charges	6	3,381	0.9	980	0.2
<b>Total current assets</b>		<b>33,699</b>	<b>8.7</b>	<b>44,066</b>	<b>11.1</b>
Financial assets and participations **	7	14,699	3.8	6,904	1.7
Real estate held for investment purposes	8	58,676	15.1	61,552	15.5
Tangible assets	9	244,601	63.0	257,630	64.9
Intangible assets	10	2,000	0.5	1,142	0.3
Restricted assets (fund assets)	11	34,410	8.9	25,366	6.4
Deferred tax assets	12	0	0.0	60	0.0
<b>Total fixed assets</b>		<b>354,386</b>	<b>91.3</b>	<b>352,654</b>	<b>88.9</b>
<b>Total assets</b>		<b>388,085</b>	<b>100.0</b>	<b>396,720</b>	<b>100.0</b>
<b>Liabilities</b>					
Short-term financial liabilities	13	0	0.0	10,046	2.5
Trade accounts payable	14	6,956	1.8	7,928	2.0
Other short-term liabilities	15	50,605	13.1	53,365	13.5
Accruals and deferred income	16	7,016	1.8	7,584	1.9
Short-term provisions	17	3,907	1.0	8,675	2.2
Income taxes	18	10	0.0	15	0.0
<b>Total short-term outside capital</b>		<b>68,494</b>	<b>17.7</b>	<b>87,613</b>	<b>22.1</b>
Long-term financial liabilities	19	3,400	0.9	5,398	1.4
Long-term provisions	21	19,614	5.0	24,492	6.2
Deferred tax liabilities	22	2,647	0.7	2,971	0.7
<b>Total long-term outside capital</b>		<b>25,661</b>	<b>6.6</b>	<b>32,861</b>	<b>8.3</b>
<b>Total outside capital</b>		<b>94,155</b>	<b>24.3</b>	<b>120,474</b>	<b>30.4</b>
Restricted funds	23	31,037	8.0	21,892	5.5
Association capital of affiliated companies	24	1,775	0.5	7,964	2.0
Profit/(loss) for the year of affiliated companies	24	2,846	0.7	1,053	0.3
<b>Restricted funds and Association capital</b>		<b>35,658</b>	<b>9.2</b>	<b>30,909</b>	<b>7.8</b>
Paid-in Foundation capital		10	0.0	10	0.0
Revaluation reserves		13,436	3.5	13,436	3.4
Internally generated operating funds **		207,742	53.5	205,776	51.8
Internally generated restricted operating funds 'Holistic Rehabilitation' fund	45	36,150	9.3	24,150	6.1
Profit/(loss) for the year		934	0.2	1,965	0.5
<b>Total organisation capital</b>	25	<b>258,272</b>	<b>66.5</b>	<b>245,337</b>	<b>61.8</b>
<b>Total liabilities</b>		<b>388,085</b>	<b>100.0</b>	<b>396,720</b>	<b>100.0</b>

\* The presentation style from 2009 was adapted to suit the new classification for 2010.

\*\* In the previous year, 'financial assets and participations' and 'internally generated operating funds' were restated (i.e. increased) by CHF 0.25 million (valuation adjustment for Radiologie Luzern Land AG).

# CONSOLIDATED OPERATING/INCOME STATEMENT

1,000 CHF	Note	2010	%	2009 *	%
<b>Income</b>					
Benefactors' contributions, donations, inheritances, legacies	26	73,878	36.7	70,567	36.3
Income from services rendered and trading activities **	27	108,058	53.7	107,216	55.2
Income from public-sector funds	28	6,263	3.1	4,385	2.3
Other income	29	13,193	6.6	11,869	6.1
Decreases in revenue	30	- 124	- 0.1	96	0.1
<b>Total income</b>		<b>201,268</b>	<b>100.0</b>	<b>194,133</b>	<b>100.0</b>
<b>Operating expenses</b>					
Support services and benefactors' benefits	31	- 11,187	- 5.6	- 12,312	- 6.3
Cost of goods and services	32	- 21,079	- 10.5	- 21,099	- 10.9
Personnel expenses	33	- 100,507	- 49.9	- 94,917	- 48.9
Operating and maintenance expenses	34	- 7,128	- 3.5	- 6,778	- 3.5
Rent and utilities expenses	35	- 3,387	- 1.7	- 3,494	- 1.8
Expenses for public relations work and fundraising activities	36	- 8,798	- 4.4	- 7,223	- 3.7
Administrative and IT expenses	37	- 11,857	- 5.9	- 11,257	- 5.8
Other operating expenses	38	- 762	- 0.4	- 514	- 0.3
Other operating income	39	1,438	0.7	171	0.1
Depreciation and amortisation	40	- 20,802	- 10.3	- 20,517	- 10.6
<b>Total operating expenses</b>		<b>- 184,069</b>	<b>- 91.5</b>	<b>- 177,940</b>	<b>- 91.7</b>
<b>Operating income</b>		<b>17,199</b>	<b>8.5</b>	<b>16,193</b>	<b>8.3</b>
Financial result	41	24	0.0	- 1,233	- 0.6
Result from real estate held for investment purposes	42	- 1,027	- 0.5	1,242	0.6
Income from restricted funds	43	- 646	- 0.3	542	0.3
Tax expenses	44	230	0.1	- 376	- 0.2
<b>Profit/(loss) for the year before restricted funds</b>		<b>15,780</b>	<b>7.8</b>	<b>16,368</b>	<b>8.4</b>
Allocation to the 'Holistic Rehabilitation' restricted fund	45	- 12,000	- 5.9	- 13,350	- 6.9
<b>Profit/(loss) for the year of the Group and affiliated organisations</b>		<b>3,780</b>	<b>1.9</b>	<b>3,018</b>	<b>1.5</b>
less profit/(loss) for the year of affiliated organisations	24	- 2,846	- 1.4	- 1,053	- 0.5
<b>Profit/(loss) for the year of the Group</b>		<b>934</b>	<b>0.5</b>	<b>1,965</b>	<b>1.0</b>

\* The presentation style from 2009 was adapted to suit the new classification for 2010.

\*\* In 2009, income from services rendered and trading activities, as well as support services, was subject in each case to bilateral netting to the value of CHF 2.24 million due to a non-consolidated intercompany service. This does not affect the results for 2009.

# CONSOLIDATED CASH FLOW STATEMENT

1,000 CHF	Note	2010	2009 *
(Indirect method with liquid assets from funds)			
<b>Cash flow from operating activities</b>			
Profit/(loss) for the year		3,780	3,018
Allocation to the 'Holistic Rehabilitation' restricted fund	45	12,000	13,350
Increase/decrease in value adjustment on financial assets and participations **	7	924	99
Value adjustment on real estate held for investment purposes	8	2,841	0
Depreciation of tangible assets	9, 40	20,197	20,038
Amortisation of intangible assets	10, 40	605	479
Increase/decrease in provisions	17, 21	- 9,646	- 1,441
Change in trade accounts receivable	3	- 643	- 915
Change in inventories and work in progress	5	- 430	806
Change in other current assets		- 2,547	1,497
Change in trade accounts payable	14	- 972	- 488
Change in other short-term liabilities, income taxes and deferred income	15, 16	- 1,619	11,639
Change in deferred taxes	12, 22	- 264	326
<b>Cash flow from operating activities (operating cash flow)</b>		<b>24,226</b>	<b>48,408</b>
<b>Cash flow from investment activities</b>			
Investments in financial assets and participations	7	- 11,152	- 455
Divestments of financial assets and participations	7	2,433	0
Investments in real estate held for investment purposes	8	- 415	- 1,058
Divestments of real estate held for investment purposes	8	450	5,750
Investments in tangible assets	9	- 8,094	- 3,759
Divestments of tangible assets	9	926	311
Investments in intangible assets	10	- 1,505	- 702
Divestments of intangible assets	10	42	0
Investment in restricted assets	11	- 9,044	- 1,140
<b>Cash flow from investment activities</b>		<b>- 26,359</b>	<b>- 1,053</b>
<b>Free cash flow</b>		<b>- 2,133</b>	<b>47,355</b>
<b>Cash flow from financing activities</b>			
Increase/decrease in short-term financial liabilities	13	- 10,046	2,001
Increase/decrease in long-term financial liabilities	19	- 1,998	- 43,381
Increase/decrease in Association capital of affiliated companies	24	- 741	- 108
Increase/decrease in restricted funds	23	928	383
Increase/decrease of organisation capital **	25	0	- 60
<b>Cash flow from financing activities</b>		<b>- 11,857</b>	<b>- 41,165</b>
<b>Change in liquid assets</b>		<b>- 13,990</b>	<b>6,190</b>
Liquid assets as at 01.01.		21,404	15,214
Liquid assets as at 31.12.		7,414	21,404
<b>Change in liquid assets</b>		<b>- 13,990</b>	<b>6,190</b>

\* The presentation style from 2009 was adapted to suit the new classification for 2010.

\*\* The previous year's results for the 'increase/decrease in value adjustment on financial assets and participations' and 'increase/decrease of organisation capital' items were restated (i.e. increased) by CHF 0.25 million on the basis of note 7.2.



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## Reporting year

1,000 CHF	Opening balance 01.01.10	External allocation	Internal funds transfers	External use	Closing balance 31.12.10
<b>Restricted funds and Association capital</b>					
Restricted funds incl. affiliated organisations	21,892	2,720	6,500	– 75	31,037
Association capital of affiliated organisations	7,964	311	– 6,500	0	1,775
Profit/(loss) for the year of affiliated organisations	1,053	1,793	0	0	2,846
<b>Total restricted fund and Association capital</b>	<b>30,909</b>	<b>4,824</b>	<b>0</b>	<b>– 75</b>	<b>35,658</b>
<b>Internal financing</b>					
Paid-in capital	10	0	0	0	10
Revaluation reserves	13,436	0	0	0	13,436
Internally generated operating funds	205,776	1,966	0	0	207,742
Internally generated restricted operating funds ‘Holistic Rehabilitation fund’	24,150	12,000	0	0	36,150
Profit/(loss) for the year	1,965	– 1,031	0	0	934
<b>Total organisation capital</b>	<b>245,337</b>	<b>12,935</b>	<b>0</b>	<b>0</b>	<b>258,272</b>

Within the context of internally generated restricted association capital relating to the new cooperation agreement,

CHF 6.5 million were transferred to the ‘Support to Members’ fund by the Benefactors’ Association (see note 23, page 25).

## Previous year

1,000 CHF	Opening balance 01.01.09	External allocation	Internal funds transfers	External use	Closing balance 31.12.09
<b>Restricted funds and Association capital</b>					
Restricted funds incl. affiliated organisations *	21,952	977	– 649	– 388	21,892
Association capital of affiliated organisations **	6,873	756	649	– 314	7,964
Profit/(loss) for the year of affiliated organisations	756	297	0	0	1,053
<b>Total restricted fund and Association capital</b>	<b>29,581</b>	<b>2,030</b>	<b>0</b>	<b>– 702</b>	<b>30,909</b>
<b>Internal financing</b>					
Paid-in capital	10	0	0	0	10
Revaluation reserves	13,882	0	0	– 446	13,436
Internally generated operating funds *	204,586	1,054	0	136	205,776
Internally generated restricted operating ‘Holistic Rehabilitation’ fund	10,800	13,350	0	0	24,150
Profit/(loss) for the year	1,054	911	0	0	1,965
<b>Total organisation capital</b>	<b>230,332</b>	<b>15,315</b>	<b>0</b>	<b>– 310</b>	<b>245,337</b>

\* Incl. restatement (increase) in ‘Restricted funds’ of CHF 0.44 million to the account of ‘Association capital’.

\*\* Incl. restatement (increase) in ‘Internally generated operating funds’ of CHF 0.25 million for Radiologie Luzern Land AG.

The **foundation capital** was paid in on 12 March 1975 by the founder and pioneer Dr med Dr sc nat hc Guido A. Zäch.

The **revaluation reserves** include increases in the value of investment properties above the costs of acquisition (in accordance with the Swiss Code of Obligations) at the time of restatement to Swiss GAAP ARR.

The **internally generated operating funds** represent the cumulative annual net incomes since the establishment of the Foundation.

The **‘Holistic Rehabilitation’ restricted fund** was set up over the course of the conversion to Swiss GAAP ARR and is presented on pages 15 and 25.

Financing for the fund is assured from the current account.

# CONSOLIDATED OPERATING STATEMENT BY AREAS OF ACTIVITY

The segmentation of the Group with its affiliated organisations into four areas of activity is based on the jointly devised strategy for further developing the network of services for holistic rehabilitation in accordance with the intentions of the founder. Through segmentation, it is possible to show the allocation of

funds from benefactors to the corresponding areas of the service network. Services carried out between the different areas are done so on the basis of the arm's length principle. The allocation of the companies to the respective segments is shown on page 10 (Scope of consolidation).

CHF million	Solidarity		Medicine		Integration and lifelong assistance		Research		Consolidation between the business lines		Total Group and affiliated organisations	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009 *
<b>Income</b>												
Benefactors' contributions, donations inheritances and legacies	73.6	70.5	0.0	0.0	0.2	0.1	0.0	0.0	0.0	0.0	73.8	70.6
Allocation of operating contributions from benefactors' contributions	- 26.4	- 33.3	13.4	16.5	5.5	7.2	7.6	9.7	0.0	0.0	0.0	0.0
Rents/internal accounting	10.3	16.7	10.7	7.5	0.8	1.8	0.0	0.0	- 21.9	- 26.1	0.0	0.0
Income from services rendered and trading activities	0.0	0.0	91.3	90.3	17.6	17.0	0.0	0.0	- 0.2	0.0	108.7	107.3
Public-sector income	0.0	0.0	0.0	0.0	2.7	2.9	2.9	1.4	0.0	0.0	5.6	4.4
Other income	1.7	0.8	9.2	6.6	2.4	4.5	0.0	0.0	- 0.1	0.0	13.2	11.8
Decreases in revenue	0.0	0.0	- 0.1	- 0.1	0.0	0.1	0.0	0.0	0.0	0.0	- 0.1	0.0
<b>Total income</b>	<b>59.2</b>	<b>54.7</b>	<b>124.5</b>	<b>120.8</b>	<b>29.2</b>	<b>33.6</b>	<b>10.5</b>	<b>11.1</b>	<b>- 22.2</b>	<b>- 26.1</b>	<b>201.2</b>	<b>194.1</b>
<b>Operating expenses</b>												
Support services and	- 11.5	- 8.9	0.0	0.0	- 3.1	- 2.6	- 1.5	- 1.7	4.9	0.9	- 11.3	- 12.3
Cost of goods and services	- 0.1	- 0.1	- 11.8	- 12.4	- 9.6	- 9.7	- 0.0	- 0.2	0.5	1.3	- 21.1	- 21.1
Personnel expenses	- 5.4	- 5.2	- 79.9	- 74.2	- 9.9	- 11.2	- 6.0	- 5.2	0.6	0.9	- 100.5	- 94.9
Operating and maintenance expenses	- 0.1	- 0.2	- 6.6	- 6.3	- 0.9	- 1.9	- 0.5	- 0.8	1.0	2.4	- 7.1	- 6.8
Rent and utilities expenses	- 0.1	- 0.3	- 11.0	- 16.1	- 1.0	- 2.6	- 0.6	- 2.0	9.5	17.5	- 3.3	- 3.5
Public relations/fundraising expenses	- 7.8	- 6.7	- 1.0	- 0.5	- 0.3	- 0.3	- 0.0	0.0	0.3	0.3	- 8.8	- 7.2
Administrative and IT expenses	- 2.2	- 2.6	- 9.6	- 7.7	- 2.6	- 2.4	- 1.6	- 1.0	4.1	2.5	- 11.9	- 11.3
Other operating expenses	- 0.3	0.0	- 0.5	- 0.4	- 0.8	- 0.1	0.0	0.0	0.9	0.0	- 0.7	- 0.5
Other operating income	0.8	0.0	0.6	0.2	0.0	0.0	0.0	0.0	0.0	0.0	1.4	0.2
Depreciation and amortisation	- 16.9	- 16.6	- 3.2	- 3.1	- 0.5	- 0.5	- 0.2	- 0.3	0.0	0.0	- 20.8	- 20.5
<b>Total operating expenses</b>	<b>- 43.6</b>	<b>- 40.7</b>	<b>- 123.0</b>	<b>- 120.5</b>	<b>- 28.7</b>	<b>- 31.4</b>	<b>- 10.4</b>	<b>- 11.1</b>	<b>21.7</b>	<b>25.8</b>	<b>- 184.0</b>	<b>- 177.9</b>
<b>Operating income</b>	<b>15.6</b>	<b>14.0</b>	<b>1.5</b>	<b>0.3</b>	<b>0.5</b>	<b>2.1</b>	<b>0.1</b>	<b>- 0.0</b>	<b>- 0.5</b>	<b>- 0.2</b>	<b>17.2</b>	<b>16.2</b>
Financial result											0.0	- 1.2
Result from investment properties											- 1.0	1.2
Result from restricted funds											- 0.6	0.5
Tax expenses											0.2	- 0.4
<b>Profit/(loss) for the year before allocation</b>											<b>15.8</b>	<b>16.3</b>
Allocation to restricted 'Holistic Rehabilitation' fund											- 12.0	- 13.3
<b>Profit/(loss) for the year with affiliated organisations</b>											<b>3.8</b>	<b>3.0</b>
less profit/(loss) for the year of affiliated organisations											- 2.9	- 1.0
<b>Profit/(loss) for the year of the Group</b>											<b>0.8</b>	<b>2.0</b>
<b>Employment figures</b>												
Employees (full-time positions)	31.3	40.4	824.3	740.7	96.6	104.0	50.6	44.5	0.0	0.0	1 002.8	929.6
Avg. staff costs * (1,000 CHF)	172.2	129.5	96.9	100.1	102.2	107.4	117.8	116.9	0.0	0.0	100.2	102.0

\* The presentation style from 2009 was adapted to suit the new classification for 2010.

\*\* incl. BD fees, trainees, course instructors, medical consultants

# CONSOLIDATION PRINCIPLES

## Consolidation principles

### General notes

A foundation in accordance with article 80 et seq. (individualised special fund) of the Swiss Civil Code, with registered office in 6207 Nottwil/LU, is established under the name of Swiss Paraplegics Foundation. In order to fulfil the purpose of the founder, the Foundation has set up and supported various organisations with an array of legal natures, including three associations (Benefactors' Association of Swiss Paraplegics Foundation, ParaHelp and the Swiss Paraplegics Association, the latter being the umbrella association of 27 wheelchair clubs in Switzerland). The associations are legally independent and autonomous in terms of their management. Due to the close business ties (allocation of support from benefactors to cover operating deficits) and for the purposes of implementing the holistic rehabilitation of paraplegic (see the article below on the Foundation's purpose), an agreement was made with the boards of directors of these associations to include the associations in the scope of consolidation as affiliated organisations without the Foundation being able to exercise any restriction over them as a result of this consolidation.

### Basis for the Foundation's accounting

As of 31 December 2010, the accounts of the Swiss Paraplegics Foundation are prepared in accordance with the Swiss GAAP ARR national accounting standard, essentially at historical costs, unless otherwise stated in the valuation principles below. The information required under the Swiss Code of Obligations is also stated. The Annual Financial Statements are shown in Swiss francs (CHF).

### Currency conversion

The Group's accounts are prepared in Swiss francs (CHF) as all companies are active in Switzerland (functional currency). Conversions of liquid funds and securities into foreign currency on the balance sheet date were as follows:

	2010	2009
CHF/1 EUR	1.2522	1.4882

### Basis of consolidation

The consolidated Annual Financial Statements, comprising the balance sheet, operating/income statement, cash flow statement, statement of changes in equity, operating statement by area of activity and notes, are based on the audited annual accounts of the companies included as per the scope of consolidation (Group companies and affiliated organisations). The Annual Financial Statements are prepared and remodelled in accordance with uniform Group structuring and valuation principles and consolidated in Group accounts.

### Consolidation principles

The consolidated Annual Financial Statements of the Swiss Paraplegics Group and affiliated organisations include all companies in which the Group directly or indirectly holds more than 50% of the voting rights or which, on the basis of contractual regulations and interdependencies, are useful for the benefactors in assessing the overall provision of service. Newly acquired companies are consolidated from the date of their acquisition. The results of disposed companies are taken into account up to the time of sale. Companies in which the Group holds more than 20% but not more than 50% of the voting rights are recorded in accordance with the equity method provided the Group does not exercise significant influence in some other way. The proportionate equity capital and the proportionate result for the period are stated in the consolidated financial statements even if the proportionate equity capital exceeds the historical cost.

Holdings of more than 50% are consolidated using the Anglo-American purchase method. Assets and liabilities of newly acquired companies are measured at fair value at the time of acquisition. Minority interests show minority shareholders' share of total assets less liabilities.

Participations below 20% of the capital are treated as long-term financial assets and reflect both historical costs and any value adjustments.

All transactions and balances between the consolidated companies are eliminated in the course of consolidation.

Interim profits on intra-Group transactions are eliminated.

# SCOPE OF CONSOLIDATION

## Scope of consolidation

The affiliated organisations listed below were fully consolidated on the basis of contractual agreements or interdependencies in order to document the complete chain of services of holistic lifelong rehabilitation and social reintegration of paraplegics in accordance with the wishes of the founder.

The following foundations were not included in the scope of consolidation due to the lack of any directly shared business activity and only a partial sharing of human resources:

- Swiss Paralympic, Berne
- Guido A. Zäch Foundation, Zofingen
- St. Margrethenkapelle Nottwil Foundation, Nottwil

The following changes to the scope of consolidation were recorded in 2010:

- Merger of Paramobil AG with Orthotec AG
- Transfer of the operating activities of Swiss Paraplegic Management Services AG incl. GZI hotel operations to Swiss Paraplegics Centre Nottwil AG.

The following companies were consolidated on 31 December 2010:

Company broken down by legal jurisdiction	Purpose *	Note	Equity capital 31.12.10 CHF	Equity capital 31.12.09 CHF	Rate <sup>3</sup> 31.12.10	Year established
<b>Swiss Paraplegics Group companies</b>						
Swiss Paraplegics Foundation, Nottwil	S		n/a	n/a	n/a	1975
Amor AG Immobiliengesellschaft, Berne	S, I		200,000	200,000	100%	1902
Swiss Paraplegics Centre AG, Nottwil	M		25,000,000	25,000,000	100%	1989
Schiffahrt Sempachersee AG, Nottwil	S, I		250,000	250,000	20%	2005
Radiologie Luzern Land AG, Sursee	M		500,000	500,000	50%	2008
SIRMED Swiss Institute for Rescue Medicine AG, Nottwil	M		100,000	100,000	100%	2002
Swiss Paraplegic Management Services AG, Nottwil	S	1	100,000	100,000	100%	1997
Orthotec AG, Nottwil	IA	2	200,000	200,000	100%	1994
Paramobil AG, Nottwil	IA	2	0	500,000	100%	1989
Hotel Herisau AG, Herisau	IA		5,000,000	5,000,000	100%	1932
Swiss Paraplegics Research AG, Nottwil	R		1,000,000	1,000,000	100%	2002
<b>Fully consolidated organisations affiliated to the SPG</b>						
Benefactors' Association of Swiss Paraplegics Foundation, Basel (association)	S		n/a	n/a	n/a	1978
ParaHelp, Nottwil (association)	M		n/a	n/a	n/a	2004
Swiss Paraplegics-Association, Nottwil (association)	IA		n/a	n/a	n/a	1980

\* S = Solidarity (fundraising activities, direct assistance, public relations work)

M = Medicine (emergency medicine and rehabilitation, prevention)

IA = Integration and lifelong assistance

R = Research

I = Investment (for investment purposes)

<sup>1</sup> Swiss Paraplegic Management Services AG transferred its operating activities as of 1 January 2010 to Swiss Paraplegics Centre Nottwil AG and was not active during 2010.

<sup>2</sup> Orthotec AG acquired Paramobil AG as of 1 January 2010 through a merger.

<sup>3</sup> With the exception of the merged Paramobil AG, participation quotas remain unchanged.

# VALUATION PRINCIPLES

## Valuation principles

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### Key assumptions and sources of uncertainty in estimates

Accounting requires management to make estimates and assumptions which impact the level of the reported assets and liabilities as well as contingent liabilities and contingent claims at the time of presentation, but also expenses and income during the reporting periods. The assumptions and estimates are based on historical experience and various other factors which are believed to be reasonable under given circumstances. Subsequent results may differ from these estimates.

The assumptions and estimates are reviewed on an ongoing basis and adapted if necessary should new information or knowledge become available. Such changes are recorded in the income statement in each reporting period in which the assessment was adjusted. The most important assumptions are shown below and are also mentioned in the corresponding notes.

- Income is only recognised when management judges that the risks and rewards of ownership have been transferred to the client. For certain transactions, this means that payments received are deferred in the balance sheet and only attributed to the income in the operating/income statement when the conditions of a contract are met. Management believes that the total accruals and provisions for these items are adequate based on the information currently available.
- Other intangible assets are reviewed annually while non-cash contributions are reviewed when there are corresponding indications of impairment. To assess if any impairment exists, estimates and judgements are made by management of future cash flows expected to result from use of the asset and its possible disposal.

- Significant estimates are required in determining current and deferred assets and liabilities for income taxes. Some of these estimates are based on interpretations of existing tax laws or regulations. Management believes that the estimates are reasonable and that the recognised assets and liabilities for income-tax-related uncertainties have been adequately recognised.
- All employees of the Swiss Paraplegics Foundation, its subsidiary companies as well as the affiliated organisations (with the exception of employees from the Hotel Herisau AG as well as some doctors who have settled for the VSAO – Association of Swiss Assistant Doctors and Chief Consultants) are insured by the pension fund of the Swiss Paraplegics Group. Any employer liabilities are recognised accordingly.
- Individual Group companies are party to potential legal disputes. Based on current knowledge, management has made assumptions of the possible impact of these legal cases and recognised them accordingly.

### Net sales

Income from sales or services is recognised at the time the product was delivered or the service provided, less deductions in revenues and value added taxes.

### Liquid assets and short-term financial assets

Liquid assets consist of cash, deposits on postal and bank accounts as well as money market claims with a maturity of up to three months at nominal values.

Short-term financial assets include easily realisable, generally marketable securities. These are valued at market value.

Unlisted securities are valued at no more than historical cost as no current values are available.

### Trade accounts receivable

Trade accounts receivable are valued at nominal value. Value adjustments for claims are carried out uniformly in accordance with the age structure of the debtors.

# VALUATION PRINCIPLES

## Inventories and work in progress

Goods purchased and products manufactured internally are recognised at cost. A value adjustment is allowed if the net realisable sale value of an article is lower than the cost of inventories calculated in accordance with the methods described above. Work in progress is valued at the sale price less the average gross margin. An additional value adjustment is allowed for obsolete inventory items based on turnover frequency. Discounts received are recognised as a reduction in the purchase price. Interim profits from intra-Group deliveries are eliminated in the income statement.

## Financial assets and participations

Financial assets include non-consolidated participations which are valued in accordance with the principles of consolidation as well as securities and loans to third parties held in the long term, which are included at historical cost and which are generally mortgage-backed. Financial assets and participations are valued at historical cost less necessary depreciation or discounted accordingly in the case of interest-free loans.

## Tangible assets

Tangible assets (land, buildings, machinery and equipment) are measured at no more than historical costs less necessary depreciation.

Assets are depreciated over the following probable estimated useful lives (depreciation method in brackets):

– Buildings (straight line)	75 years
– Interior fittings/installations (straight line)	10 to 25 years
– Medical technology (straight line)	8 years
– Technical equipment (straight line)	8 years
– Furniture, machinery, works of art (straight line)	5 to 10 years
– IT hardware/office equipment (straight line)	4 years
– Vehicles (straight line)	5 years

Land is not depreciated.

## Valuation of real estate held for investment purposes

These properties are categorised as investment properties in accordance with ARR 18, clause 14. These are properties (acquired or self-built) which are held and managed over a longer period of time. Reserves of building land, the future use of which has not yet been fixed, as well as properties which are converted, renovated or developed, are also categorised as investment properties.

When recognised for the first time, the real estate is valued at historical cost including directly attributable transaction costs. Thereafter the properties are valued at market value. To this end, a valuation was carried out on the balance sheet date by the real-estate experts of BDO AG Zurich. Market values are calculated on the basis of the net income values and are checked for plausibility using a present value method devised by Kaspar Fierz.

When determining the market value, the following procedure is used: effective rental per year capitalised by means of a capitalisation rate which is weighted depending on the property.

The capitalisation rate components are as follows:

– base rate	3.9%
– operation and maintenance	0.6%
– amortisation	0.6%
– administration	0.3%
– risk	0.5%

The above rates are based on estimates and assumptions of the valuer. The market values therefore do not take into account any property gain, transfer or value added taxes or any additional costs and commission incurred in the event of any sale of the properties. Any future value-enhancing investments and additional related income are not included.



Rental income, operating and maintenance expenses, repair costs and components of the aforementioned weighted discounting rate are based on the following fundamental principles and assumptions:

- Rental income
  - a) at current rentals and agreements
  - b) from a current perspective, sustainable potential rental income that can be obtained for rental agreements which will expire in future or which have been terminated
  - c) rental income that can be obtained in future less marketing costs for vacant rental properties
- Operating and maintenance costs
  - a) empirical values
  - b) budgets and benchmarks
- Discounting
  - a) in accordance with site and property-related criteria, micro and macro situation
  - b) current management conditions
  - c) discounting factors measured and verified as per the known transfers and transactions.

### Leasing

Lease agreements for assets where both the risk and the right of possession are transferred to the Group (finance leases) are capitalised at present value at acquisition and written down over the aforementioned estimated useful lives. The corresponding liabilities are recognised under 'Short-term financial liabilities' or 'Long-term financial liabilities', depending on whether they fall due within or after 12 months. The cost of maintaining and repairing the tangible assets is charged to the operating/income statement provided it does not add value. Payments made from operating leases are charged directly to the income statement.

### Intangible assets

In principle, research and development costs are charged directly to the operating/income statement. Extensive work on the development of new products in the area of orthopaedics which meets the requirements for capitalisation (in particular, there must be the prospect of net income) is capitalised and amortised at historical costs (not taking into account financing costs).

- Licences, trademarks, patents (straight line) 3 to 10 years
- Software (straight line) 4 years
- Product development (straight line) 2 to 5 years

Goodwill from acquisitions is the difference between historical costs and the market value of the acquired net assets. Goodwill is reported at historical costs less any impairment losses. Goodwill is allocated to the cash-generating units and is amortised over five years.

### Impairment of assets

On each balance sheet date at least, the Group's assets are reviewed for impairment. If there are indications of a sustainable loss in value, the realisable value is calculated (impairment). An impairment charge is recognised in the income statement if the current carrying value exceeds the recoverable value. The recoverable value is the estimated net sale price or the value in use, whichever is higher. In order to determine the value in use, the present value of estimated future cash flows is calculated. The discount rate used to this end is the average interest rate on capital in Switzerland, taking into account the specific risks of the asset.

### Outside capital

Outside capital is stated in the balance sheet at nominal value. Financial liabilities comprise borrowings on current accounts at banks, obligations under finance leases and all other financial liabilities. Trade accounts payable are measured at nominal value.

# VALUATION PRINCIPLES

## Prepayments

A simplified regulation governing the length of membership was implemented at the same time as the conversion to Swiss GAAP ARR. The length of membership is limited to the calendar year. Benefactors receive a membership card listing the corresponding membership year. Payment is made, as usual, in advance, i.e. before the start of the new calendar year. Prepayments of benefactors' contributions must therefore be shown as a liability on 31 December for the following year. For long-term members, who pay a one-off sum of CHF 1,000 and who are then benefactor members for life, the prepayments are recalculated each year (previous year's amount  $\cdot$  consumption pro rata + number of new long-term members = amount at the end of the year).

## Provisions

Short-term provisions (for reorganisation, direct support, anniversary celebrations, legal disputes) are accruals, the maturity and amount of which are uncertain, but which should be incurred in the following financial year.

Long-term provisions initially include pension liabilities and other liabilities due to employees (e.g. seniority gifts) as well as liabilities, the maturity and amount of which are uncertain.

## Income taxes

Provisions are made for taxes incurred on business income irrespective of when such liabilities fall due for payment and taking into account any tax-deductible losses carried forward.

## Deferred taxes

Deferred taxes are taxes on temporary differences between the values of assets and liabilities as recognised by the tax authorities and the values as stated in the Group financial statements or the separate accounts in accordance with Swiss GAAP ARR. Most of the companies in the scope of consolidation are exempt from income taxes with the exception of taxes on property gains. Deferred taxes are calculated using the liability method on the basis of the local tax rate on the balance sheet date. Deferred tax assets are calculated on all deductible temporary differences if it is likely that sufficient taxable income will be deducted in future. Deferred tax assets and liabilities are netted insofar as legal regulations permit offsetting. Changes in the amounts of deferred taxes are recognised in tax expenses. Deferred tax assets from unused tax loss carryforwards are reported in the notes.

## Employee pensions

Employees are members of one of the three independent pension funds (pension fund of the Swiss Paraplegics Group, Hotela pension fund, VSAO pension fund). The pension liabilities of the autonomous pension funds are valued annually by independent experts. Since these pension funds are not all fully reinsured for the savings process as well as for the risks of death, invalidity and old age, the employer must also bear risks. If the employer is in future required to make shortfall contributions to resolve the shortage of cover in the pension funds, these must be set aside and charged accordingly to the operating/income statement.

The purely welfare supplementary fund of the Swiss Paraplegics Centre supports hardship cases. In accordance with ARR 16, the corresponding details can be found in the notes (number 20).

## Fund

A fund (in the sense of a separate special account) is a combination of (unspent) resources or assets which is distinct to other funds on the basis of a specific common purpose. The objective of fund accounting is to provide information on compliance with the intended use (restrictions or conditions) of restricted funds received, on the administration of the available restricted resources in a way which will secure earnings, and on securing liquidity for the use of the restricted resources. The restricted resources must be compared with the freely available resources. The performance of the fund (allocation, use, internal income) is disclosed in detail by means of corresponding notes. Restrictions control and limit how donated assets/financial contributions can be used. Conditions create the right of return in respect of the assigned asset, which the assigning party may exercise if a stipulated uncertain event should occur. The assets must therefore also be reported as a liability at the time they are received.

The Swiss Paraplegics Group and affiliated organisations have the following restricted funds:

**‘Holistic Rehabilitation’ restricted fund**

The fund is financed by the allocation of money from benefactors and donations while the use of this fund is governed by regulations. Until it has been used in full, the capital represents a performance obligation in relation to the benefactors and donors and is therefore reported separately on the liabilities side of the balance sheet, under equity capital. The Board of Trustees may not independently decide to use the funds for a purpose other than that stipulated in the regulations.

**‘Integration’ restricted fund**

This fund is financed by the allocation of operating surpluses and income from securities. The use of this fund is governed by regulations. Until it has been used in full, the capital represents a performance obligation in relation to an affiliated organisation and is therefore reported separately on the liabilities side of the balance sheet, under outside capital.

**‘Support to Members’ restricted fund**

The Benefactors’ Association has transferred CHF 7.0 million of its association capital to a restricted equity capital item referred to as ‘internally generated restricted operating funds’. The funds are intended to safeguard the service offer of an affiliated organisation and, as such, appear as a separate item on the liabilities side of the balance sheet, under outside capital.

**Restricted Foundation funds**

These are managed separately in accordance with the founders. There are presently four funds: the ‘Heinz and Madeleine Oppenheimer Fund’, the ‘Heinrich Bühler Fund’, the ‘Dr Albert Keller Rinderknecht Fund’ and the ‘Hermann and Kornelia Winkler Fund’, which are named after the respective founders. This fund capital for specific purposes corresponds to an individualised special fund and should be understood as being analogous to the fundamental idea behind a foundation (independent fund with its own legal personality). The Board of Trustees may not decide on another use of these funds. The Board of Trustees must submit a report annually to the – generally appointed – supervisor or supervisory body on the use of the fund as per the intended purpose. The assets of these Foundation funds (original capital and accumulated income depending on the requirements, less partially used capital) are reported separately under assets. Due to materiality reasons, fund capital of at least CHF 0.5 million is required to set up a foundation fund of this kind.

Swiss Paraplegics Research AG has received restricted research capital from the Swiss Confederation in accordance with FG 16 (Swiss research law).

Different restrictions and conditions apply to the aforementioned funds. These are disclosed in note 11 on page 21.

**Derivative financial instruments**

No derivative financial instruments are used.

**Revaluation reserve in equity capital**

During the course of conversion to Swiss GAAP ARR, the real estate held for investment purposes was revalued. The difference between historical acquisition costs and the current market price was clearly shown in the operating/income statement.

**Transactions with affiliated persons**

Affiliated persons (natural or legal) are defined as any person directly or indirectly able to exercise significant influence over the Group and its affiliates as it makes financial or operating decisions. Companies which, in turn, are directly or indirectly controlled by affiliated persons are also deemed to be affiliated persons.

**Off-balance-sheet transactions**

Off-balance-sheet transactions comprise contingent liabilities and rights of lien as well as other obligations not recognised in the balance sheet, in particular guarantees (usually to creditor banks), pledges in accordance with section 663b. 2 of the Code of Obligations (CO), usually to creditor banks, and operating leases (excluding interest costs). Off-balance-sheet transactions are measured as at the balance sheet date at year-end rates based on the agreements in place.

**Deviations in terms of consistency**

The previous year was adjusted in line with the updated management reporting classification for 2010 to ensure that the figures are comparable. The sales and operating expense figures for 2009 were corrected by also eliminating intra-Group services to the value of CHF 2.24 million.

# NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

## Balance sheet

### 1. Liquid assets

1,000 CHF	31.12.10	31.12.09
Cash assets	74	252
Post office giro and bank current accounts	7,340	21,152
<b>Total</b>	<b>7,414</b>	<b>21,404</b>

The presentation style was adapted to suit the new classification for 2010.

### 2. Short-term financial assets

1,000 CHF	31.12.10	in %	31.12.09	in %	Spreads
Bonds					
CHF domestic	0	0%	323	29%	0-30%
CHF foreign	0	0%	0	0%	20-65%
Foreign currencies	0	0%	0	0%	0-20%
Equities					
Domestic	206	39%	602	54%	10-30%
Foreign	0	0%	11	1%	5-25%
Indirect real estate	300	56%	0	0%	0-10%
Alternative investments	27	5%	182	16%	0-10%
<b>Total</b>	<b>533</b>	<b>100%</b>	<b>1,118</b>	<b>100%</b>	

### 3. Trade accounts receivable

1,000 CHF	31.12.10	31.12.09
Trade accounts receivable from health insurance companies and insurance companies	9,974	8,966
SUVA	5,320	4,208
local communities	764	1,106
other	2,003	3,093
<b>Total gross</b>	<b>18,061</b>	<b>17,373</b>
Del credere	- 516	- 471
<b>Total net</b>	<b>17,545</b>	<b>16,902</b>

Value adjustments are calculated uniformly in accordance with the age structure of the debtors.

### 4. Other receivables

1,000 CHF	31.12.10	31.12.09
Input tax, withholding taxes	103	64
Advance payments to suppliers	887	192
<b>Total</b>	<b>990</b>	<b>256</b>

### 5. Inventories and work in progress

1,000 CHF	31.12.10	31.12.09
Medical materials, medicines	541	883
Orthopaedic material and support equipment	264	289
Mechanical material and support equipment	1,366	1,032
Foodstuffs, shop, stationery, printed matter	299	151
Support and operating material, heating oil	117	138
Work in progress	1,378	1,056
<b>Total gross</b>	<b>3,965</b>	<b>3,549</b>
Value adjustment	- 129	- 143
<b>Total net</b>	<b>3,836</b>	<b>3,406</b>

The value adjustment is calculated uniformly in accordance with turnover frequency.

### 6. Prepaid expenses/deferred charges

1,000 CHF	31.12.10	31.12.09
Inheritance announcements	2,450	0
Medical services not yet invoiced	579	480
Others	352	500
<b>Total</b>	<b>3,381</b>	<b>980</b>

Disclosed inheritances and legacies which have yet to be paid out or concluded can be treated as income, providing it is possible to value them, in the year of disclosure. In the financial year 2010, inheritance announcements made in favour of the Swiss Paraplegics Foundation were reported on an accrual basis for the first time. No restatement took place for the previous year.

The presentation style was adapted to suit the new classification for 2010.

## 7. Financial assets and participations

### 7.1 Reporting year

1,000 CHF	Long-term financial assets	Loans to third parties	Loans to non-profit organisations	Loans to affiliated persons	Participations	Total
<b>Cost</b>						
<b>As at 01.01.10</b>	<b>9,627</b>	<b>2,729</b>	<b>1,300</b>	<b>758</b>	<b>821</b>	<b>15,235</b>
Additions	10,584	568	0	0	0	11,152
Disposals	- 8,627	- 745	0	0	0	- 9,372
Income from minority shareholdings	0	0	0	0	256	256
<b>As at 31.12.10</b>	<b>11,584</b>	<b>2,552</b>	<b>1,300</b>	<b>758</b>	<b>1,077</b>	<b>17,271</b>
<b>Accumulated value adjustment</b>						
<b>As at 01.01.10</b>	<b>- 6,627</b>	<b>- 1,599</b>	<b>- 100</b>	<b>0</b>	<b>- 5</b>	<b>- 8,331</b>
Value adjustment	- 542	- 252	- 341	0	- 45	- 1,180
Disposals	6,627	312	0	0	0	6,939
<b>As at 31.12.10</b>	<b>- 542</b>	<b>- 1,539</b>	<b>- 441</b>	<b>0</b>	<b>- 50</b>	<b>- 2,572</b>
<b>Net assets as at 31.12.10</b>	<b>11,042</b>	<b>1,013</b>	<b>859</b>	<b>758</b>	<b>1,027</b>	<b>14,699</b>
Net assets as at 31.12.09	3,000	1,130	1,200	758	816	6,904
of which pledged	0	0	0	0	0	0
of which mortgage-backed	10,200	2,300	1,300	750	0	14,550

Long-term financial assets are loans from the Benefactors' Association of Swiss Paraplegics Foundation to AMTS in Lucerne and Swiss Alp Resort AG, Grindelwald, which was acquired. Loans to third parties are interest-free loans granted to paraplegics and which are generally mortgage-backed. Since the loans are interest-free, a discount of 3%, which was reported as a value adjustment, was applied to the loans. A value adjustment of CHF 200,000 was made in connection with the loan to the Wohnen im Alter foundation (a non-profit organisation). The loan to affiliated persons was granted to the Honorary Chairman, Dr med Dr sc nat hc Guido A. Zäch.

Two loans were granted to non-profit organisations. The value adjustment of CHF 100,000 was made on the basis of the remission of a debt by 2016, awarded in 2008. The two participations are, on the one hand, the joint venture of the Swiss Paraplegics Centre Nottwil AG and the cantonal hospital in Lucerne, Radiologie Luzern Land AG, and on the other the participation of Swiss Paraplegic Management Services AG in Schifffahrt Sempachersee AG (currently in liquidation), both of which are consolidated in accordance with the equity method. The 50% participation in Radiologie Luzern Land AG in Sursee is consolidated in accordance with the equity method. The increase in the participation value incorporates the growth in value during the last two years.

The presentation style was adapted to suit the new classification for 2010.

# NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

## 7.2 Previous year

1,000 CHF	Long-term financial assets	Loans to third parties	Loans to non-profit organisations	Loans to affiliated persons	Participations	Total
<b>Cost</b>						
<b>As at 01.01.09</b>	<b>9,282</b>	<b>2,619</b>	<b>1,300</b>	<b>758</b>	<b>548</b>	<b>14,507</b>
Additions	345	110	0	0	0	455
Disposals	0	0	0	0	0	0
Income from minority shareholdings *	0	0	0	0	273	273
<b>As at 31.12.09</b>	<b>9,627</b>	<b>2,729</b>	<b>1,300</b>	<b>758</b>	<b>821</b>	<b>15,235</b>
<b>Accumulated value adjustment</b>						
<b>As at 01.01.09</b>	<b>- 6,282</b>	<b>- 1,572</b>	<b>- 100</b>	<b>0</b>	<b>- 5</b>	<b>- 7,959</b>
Value adjustment	- 345	- 27	0	0	0	- 372
Disposals	0	0	0	0	0	0
<b>As at 31.12.09</b>	<b>- 6,627</b>	<b>- 1,599</b>	<b>- 100</b>	<b>0</b>	<b>- 5</b>	<b>- 8,331</b>
<b>Net assets as at 31.12.09</b>	<b>3,000</b>	<b>1,130</b>	<b>1,200</b>	<b>758</b>	<b>816</b>	<b>6,904</b>
Net assets as at 31.12.08	3,000	1,047	1,200	758	543	6,548
of which pledged	0	0	0	0	0	0
of which mortgage-backed	6,900	1,100	1,300	750	0	10,050

\* Income from the participation in Radiologie Luzern Land AG was underreported by CHF 0.25 million in the previous year. This has now been corrected.

## 8. Real estate held for investment purposes

1,000 CHF	2010	2009
<b>Market value as at 01.01.</b>	<b>61,552</b>	<b>66,243</b>
<b>Investment costs as at 01.01.</b>	<b>69,953</b>	<b>74,644</b>
Additions from purchases and inheritances	0	779
Additions from investments	415	279
Disposals	- 450	- 5,749
<b>Accumulated investment costs as at 31.12.</b>	<b>69,918</b>	<b>69,953</b>
<b>Net change in investment costs</b>	<b>- 35</b>	<b>- 4,691</b>
<b>Revaluation as at 01.01.</b>	<b>- 8,401</b>	<b>- 8,401</b>
Higher values	590	0
Lower values	- 3,431	0
Disposals	0	0
<b>Accumulated revaluations as at 31.12.</b>	<b>- 11,242</b>	<b>- 8,401</b>
<b>Net change in revaluation</b>	<b>- 2,841</b>	<b>0</b>
<b>Market value as at 31.12.</b>	<b>58,676</b>	<b>61,552</b>
of which pledged	9,805	9,805
Fire insurance value	86,844	82,190

All property (owned by the Foundation and by the subsidiary companies Amor AG Immobiliengesellschaft and Hotel Herisau AG) was revalued by BDO AG Zurich as at 31 December 2010. The revaluation led to some marked deviation from the previous year. Property acquired via an inheritance was sold during the first quarter of 2010 at its investment value. As such, no profit was generated from sales during 2010.



## 9. Tangible assets

### 9.1 Reporting year

1,000 CHF	Undeveloped land	Buildings	Plants and equipment	Plants under construction	Furniture, machinery, works of art	IT hardware	Vehicles	Total
<b>Cost</b>								
<b>As at 01.01.10</b>	<b>20,692</b>	<b>143,747</b>	<b>256,087</b>	<b>46</b>	<b>11,885</b>	<b>4,805</b>	<b>2,608</b>	<b>439,870</b>
Additions	0	0	5,723	636	843	739	153	8,094
Disposals/deactivation	0	0	- 1,898	- 25	- 448	- 2,450	- 249	- 5,070
Reclassification/recognition	0	0	- 423	0	636	- 260	47	0
<b>As at 31.12.10</b>	<b>20,692</b>	<b>143,747</b>	<b>259,489</b>	<b>657</b>	<b>12,916</b>	<b>2,834</b>	<b>2,559</b>	<b>442,894</b>
<b>Accumulated depreciation</b>								
<b>As at 01.01.10</b>	<b>0</b>	<b>- 23,047</b>	<b>- 145,991</b>	<b>0</b>	<b>- 7,650</b>	<b>- 3,697</b>	<b>- 1,855</b>	<b>- 182,240</b>
Depreciation	0	- 1,916	- 16,104	0	- 1,155	- 681	- 341	- 20,197
Disposals/deactivation	0	0	1,277	0	244	2,449	174	4,144
Reclassification/recognition	0	365	- 288	0	- 444	357	10	0
<b>As at 31.12.10</b>	<b>0</b>	<b>- 24,598</b>	<b>- 161,106</b>	<b>0</b>	<b>- 9,005</b>	<b>- 1,572</b>	<b>- 2,012</b>	<b>- 198,293</b>
<b>Net assets as at 31.12.10</b>	<b>20,692</b>	<b>119,149</b>	<b>98,383</b>	<b>657</b>	<b>3,911</b>	<b>1,262</b>	<b>547</b>	<b>244,601</b>
Net assets as at 31.12.09	20,692	120,700	110,096	46	4,235	1,108	753	257,630
of which finance leases	0	0	0	0	0	0	0	0
of which pledged	0	0	0	0	0	0	0	0
Insured values								359,209

The undeveloped land, valued at CHF 4.56 million, is located in Nottwil. The buildings include the structural shell of the SPC and GZI company buildings in Nottwil. The interior fixtures and fittings and the installations of the two company buildings are

reported under plant and equipment. Plant under construction includes ongoing renovations to the two company buildings. These reclassifications were necessary as part of the process of adapting to the new management reporting classification.

### 9.2 Previous year

1,000 CHF	Undeveloped land	Buildings	Plants and equipment	Plants under construction	Furniture, machinery, works of art	IT hardware	Vehicles	Total
<b>Cost</b>								
<b>As at 01.01.09</b>	<b>20,692</b>	<b>143,747</b>	<b>252,194</b>	<b>0</b>	<b>13,120</b>	<b>5,892</b>	<b>2,500</b>	<b>438,145</b>
Additions	0	0	2,549	46	430	534	199	3,758
Disposals	0	0	- 282	0	- 587	- 1,239	- 91	- 2,199
Reclassification	0	0	1,626	0	- 1,078	- 382	0	166
<b>As at 31.12.09</b>	<b>20,692</b>	<b>143,747</b>	<b>256,087</b>	<b>46</b>	<b>11,885</b>	<b>4,805</b>	<b>2,608</b>	<b>439,870</b>
<b>Accumulated depreciation</b>								
<b>As at 01.01.09</b>	<b>0</b>	<b>- 20,765</b>	<b>- 129,409</b>	<b>0</b>	<b>- 7,715</b>	<b>- 4,427</b>	<b>- 1,607</b>	<b>- 163,923</b>
Depreciation	0	- 1,917	- 16,211	0	- 898	- 710	- 302	- 20,038
Disposals	0	0	223	0	389	1,219	56	1,887
Reclassification/recognition	0	- 365	- 594	0	574	221	- 2	- 166
<b>As at 31.12.09</b>	<b>0</b>	<b>- 23,047</b>	<b>- 145,991</b>	<b>0</b>	<b>- 7,650</b>	<b>- 3,697</b>	<b>- 1,855</b>	<b>- 182,240</b>
<b>Net assets as at 31.12.09</b>	<b>20,692</b>	<b>120,700</b>	<b>110,096</b>	<b>46</b>	<b>4,235</b>	<b>1,108</b>	<b>753</b>	<b>257,630</b>
Net assets as at 31.12.08	20,692	122,982	122,785	0	5,405	1,465	893	274,222
of which finance leases	0	0	144	0	0	0	0	144
of which pledged	0	0	0	0	0	0	0	0
Insured values								351,935

# NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

## 10. Intangible assets

### 10.1 Reporting year

1,000 CHF	Operating software	Trademarks, patents, miscellaneous	Goodwill	Total
<b>Cost</b>				
<b>As at 01.01.10</b>	<b>4,613</b>	<b>0</b>	<b>0</b>	<b>4,613</b>
Additions	1,487	18	0	1,505
Disposals	– 1,146	0	0	– 1,146
Reclassifications	0	0	0	0
<b>As at 31.12.10</b>	<b>4,954</b>	<b>18</b>	<b>0</b>	<b>4,972</b>
<b>Accumulated amortisation</b>				
<b>As at 01.01.10</b>	<b>– 3,471</b>	<b>0</b>	<b>0</b>	<b>– 3,471</b>
Amortisation	– 605	0	0	– 605
Disposals	1,104	0	0	1,104
Reclassifications	0	0	0	0
<b>As at 31.12.10</b>	<b>– 2,972</b>	<b>0</b>	<b>0</b>	<b>– 2,972</b>
<b>Net assets as at</b>				
<b>31.12.10</b>	<b>1,982</b>	<b>18</b>	<b>0</b>	<b>2,000</b>
31.12.09	1,142	0	0	1,142
of which financial leases	0	0	0	0
of which pledged	0	0	0	0
Insured values				4,925

Operating software includes the specific sector and operating applications for both the Group as a whole and its affiliated organisations. In 2010, all trademarks of the Swiss Paraplegics Group and affiliated organisations were registered in the intellectual property register under the name of the relevant company.

### 10.2 Previous year

1,000 CHF	Operating software	Trademarks, patents, miscellaneous	Goodwill	Total
<b>Cost</b>				
<b>As at 01.01.09</b>	<b>4,641</b>	<b>0</b>	<b>0</b>	<b>4,641</b>
Additions	702	0	0	702
Disposals	– 564	0	0	– 564
Reclassifications	– 166	0	0	– 166
<b>As at 31.12.09</b>	<b>4,613</b>	<b>0</b>	<b>0</b>	<b>4,613</b>
<b>Accumulated amortisation</b>				
<b>As at 01.01.09</b>	<b>– 3,722</b>	<b>0</b>	<b>0</b>	<b>– 3,722</b>
Amortisation	– 479	0	0	– 479
Disposals	564	0	0	564
Reclassifications	166	0	0	166
<b>As at 31.12.09</b>	<b>– 3,471</b>	<b>0</b>	<b>0</b>	<b>– 3,471</b>
<b>Net assets as at</b>				
<b>31.12.09</b>	<b>1,142</b>	<b>0</b>	<b>0</b>	<b>1,142</b>
31.12.08	919	0	0	919
of which financial leases	0	0	0	0
of which pledged	0	0	0	0
Insured values				4,925

## 11. Restricted assets

1,000 CHF	Funds of third parties				Fonds of affiliated bodies			2010	2009 *
	'Dr Albert Rinderknecht Fund'	'Heinrich Bühler Fund'	'Heinz and Madeleine Oppenheimer Fund'	'Hermann and Kornelia Winkler Fund'	'Research' Fund	'Integration' Fund	'BA' Fund		
<b>Cost</b>									
<b>As at 01.01.</b>	<b>4,906</b>	<b>2 099</b>	<b>1 579</b>	<b>0</b>	<b>0</b>	<b>16,782</b>	<b>0</b>	<b>25,366</b>	<b>24,670</b>
Adjustment	0	0	- 116	0	0	0	0	- 116	0
Additions from income	0	0	0	494	865	0	7 000	8,359	0
Use as per intended purpose	0	0	- 75	0	0	0	0	- 75	- 388
Revaluation	- 129	- 54	83	0	0	976	0	876	1,084
<b>As at 31.12.</b>	<b>4,777</b>	<b>2 045</b>	<b>1 471</b>	<b>494</b>	<b>865</b>	<b>17,758</b>	<b>7 000</b>	<b>34,410</b>	<b>25,366</b>

\* The presentation style from 2009 was adapted to suit the new classification for 2010.

Restricted assets or funds of Group companies, affiliated organisations and third parties are described on page 15. The Swiss Paraplegics Foundation is to set up a securities fund for its 'Holistic Rehabilitation' fund in 2011.

The 'Dr Albert Rinderknecht Fund' stipulates that the income can be used for the general purpose of the Foundation until 2029. In 2030, the capital may be used for the general purpose of the Foundation.

The 'Heinrich Bühler Fund' stipulates that the income may be used for the general purpose of the Foundation whereas capital may only be used, upon a justified request, with the agreement of the executor. To date, the income from these two funds has not been used.

The 'Heinz and Madeleine Oppenheimer Fund' stipulates that capital and income may be used primarily for paraplegics of the Jewish faith, and secondly for paraplegics with citizenship of, or who reside in, the cantons of Basel-Landschaft and Basel-Stadt. All direct support given to the Foundation in 2010, which was granted in accordance with the support regulations and which met the aforementioned conditions, was charged to this fund as at the end of 2010. The withdrawal is reported separately in the operating/income statement.

The 'Hermann and Kornelia Winkler Fund' can be paid out in ten annual instalments of equal amounts for the general purposes of the Foundation. The first instalment is to be drawn in 2011.

Details of the funds of Group companies and affiliated organisations can be found on page 15.

# NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

## 12. Deferred tax assets

1,000 CHF	31.12.10	31.12.09
Deferred tax assets attributable to losses	60	60
Reversal/use	– 60	0
<b>Total</b>	<b>0</b>	<b>60</b>

Some Group companies are not exempt from taxes. Tax loss carryforwards will – provided they can be capitalised – be able to be charged in full by the end of 2010.

## Unrecognised tax loss carryforwards

1,000 CHF	31.12.10	31.12.09
Expiry in 1 year	0	255
Expiry in 2 to 3 years	0	0
Expiry in 4 to 7 years	0	0
<b>Total</b>	<b>0</b>	<b>255</b>

The presentation styles were adapted to suit the new classifications for 2010.

## 13. Short-term financial liabilities

1,000 CHF	31.12.10	31.12.09
Current accounts at banks	0	0
weighted interest rate	n/a	n/a
Bank loans, falling due within 12 months	0	10,000
weighted interest rate	0.00%	8.60%
Financial leasing liabilities		
falling due within 12 months	0	46
<b>Total</b>	<b>0</b>	<b>10,046</b>

Short-term financial liabilities in 2010 were only required for periods within the financial year. Bank loans as at the end of 2009 are fixed advances on a LIBOR basis, excluding collateral. The lenders are Lucerne Kantonalbank, Credit Suisse and UBS.

## 14. Trade accounts payable

1,000 CHF	31.12.10	31.12.09
Trade accounts payable to other third parties	6,278	7,588
local communities incl. public hospitals	678	340
<b>Total</b>	<b>6,956</b>	<b>7,928</b>

## 15. Other short-term liabilities

1,000 CHF	31.12.10	31.12.09
Prepayment of benefactors' contributions for the next year	49,260	48,339
Client prepayments, patient custody accounts	538	2,776
Pension fund	235	4
Other liabilities for social security benefits	249	1,057
Value added tax (VAT)	258	571
Other short-term liabilities	65	618
<b>Total</b>	<b>50,605</b>	<b>53,365</b>

Payments received for annual memberships of the Benefactors' Association for 2010 increased by around 2%. Annual membership is limited to the calendar year.

## 16. Accruals and deferred income

1,000 CHF	31.12.10	31.12.09
Holiday, flexitime and overtime credits	3,716	3,341
Pension fund	0	0
Unbilled accounts payable	3,300	4,243
<b>Total</b>	<b>7,016</b>	<b>7,584</b>

## 17. Short-term provisions

1,000 CHF	Direct support	Reorgan-isation	Anniversary celebrations 2010	Legal disputes and other	2010	2009
<b>As at 01.01.</b>	<b>6,560</b>	<b>1,176</b>	<b>570</b>	<b>369</b>	<b>8,675</b>	<b>10,134</b>
Utilised not affecting net income	0	0	0	0	0	0
Reversed affecting net income	- 4,000	- 1,131	- 570	- 123	- 5,824	- 2,029
Provided affecting net income	231	721	80	24	1,056	30
Reclassification	0	0	0	0	0	540
<b>As at 31.12.</b>	<b>2,791</b>	<b>766</b>	<b>80</b>	<b>270</b>	<b>3,907</b>	<b>8,675</b>

In terms of direct support, the level of support requests not yet received was recalculated on the basis of accidents from 2010. Pending support requests are recorded under creditors. Reorganisation costs include new provisions for reorganising and maintaining the clinic information system.

## 18. Income taxes

1,000 CHF	31.12.10	31.12.09
Income tax during the reporting year	10	15
<b>Total</b>	<b>10</b>	<b>15</b>

Most of the Group companies and affiliated organisations are tax-exempt. Orthotec AG, Hotel Herisau AG, Amor AG Immobilien-gesellschaft and Swiss Paraplegic Management Services AG are taxed as normal.

The presentation style was adapted to suit the new classification for 2010.

## 19. Long-term financial liabilities

1,000 CHF	31.12.10	31.12.09
Long-term bank loans	3,400	5,350
weighted interest rate	3.24%	2.39%
Financial leasing liabilities		
– 1 to 5 years	0	48
– more than 5 years	0	0
<b>Total</b>	<b>3,400</b>	<b>5,398</b>

### Long-term liabilities due to banks fall due as follows:

– in 1 to 5 years	3,400	0
– in more than 5 years	0	5,350
<b>Total</b>	<b>3,400</b>	<b>5,350</b>

The remaining long-term liabilities due to banks are mortgages on investment properties in Herisau (in the previous year, also on mortgages on investment properties in Berne).

The patient anniversary celebrations for 2010 were postponed to the second quarter of 2011.

Provisions for legal disputes include legal costs associated with the rezoning at Nottwil.

The presentation style of 2009 was adapted to suit the new classification for 2010.

## Total net liquidity

1,000 CHF	31.12.10	31.12.09
Liquid assets	7,414	21,404
Short-term interest-bearing financial liabilities	0	- 10,046
Long-term interest-bearing financial liabilities	- 3,400	- 5,398
<b>Operating net liquidity</b>	<b>4,014</b>	<b>5,960</b>
Restricted funds	34,410	25,366
<b>Total net liquidity</b>	<b>38,424</b>	<b>31,326</b>

# NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

## 20. Economic benefits/economic liability and pension benefits in accordance with Swiss GAAP ARR 16

### 20.1 Reporting year

1,000 CHF	Surplus cover/ shortage of cover 31.12.10	Economic share of the organisations			Contributions accrued for the period	Pension expenses in personnel expenses	
		31.12.10	31.12.09	Change		31.12.10	31.12.09
<b>Welfare supplementary fund of SPC</b>	<b>2,763</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
SPG pension fund	0	0	0	0	5,792	5,792	5,342
VSAO pension fund	0	0	0	0	245	245	250
<b>Pension plans with surplus cover *</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6,037</b>	<b>6,037</b>	<b>5,592</b>
Hotela pension fund (pro rata)	- 59	0	0	0	33	33	32
<b>Pension plans with shortage of cover (pro rata)</b>	<b>- 59</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>33</b>	<b>33</b>	<b>32</b>
<b>Pension schemes excluding own assets</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total</b>	<b>2,704</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6,070</b>	<b>6,070</b>	<b>5,624</b>

\* Surplus cover over value fluctuation reserve

### 20.2 Previous year

1,000 CHF	Surplus cover/ shortage of cover 31.12.09	Economic share of the organisations			Contributions accrued for the period	Pension expenses in personnel expenses	
		31.12.09	31.12.08	Change		31.12.09	31.12.08
<b>Welfare supplementary fund of SPC</b>	<b>2,296</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
SPG pension fund	0	0	0	0	5,342	5,342	4,661
VSAO pension fund	0	0	0	0	250	250	442
<b>Pension plans with surplus cover *</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,592</b>	<b>5,592</b>	<b>5,103</b>
Hotela pension fund (pro rata)	- 63	0	0	0	32	32	96
<b>Pension plans with shortage of cover (pro rata)</b>	<b>- 63</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>32</b>	<b>32</b>	<b>96</b>
<b>Pension schemes excluding own assets</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total</b>	<b>2,233</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,624</b>	<b>5,624</b>	<b>5,199</b>

\* Surplus cover over value fluctuation reserve

There is no employer contribution reserve in either the reporting year or the previous year.



## 21. Long-term provisions

1,000 CHF	Early retirements	Prepayments long-term members	Seniority gifts	2010	2009
<b>As at 01.01.</b>	<b>7,050</b>	<b>14,988</b>	<b>2,454</b>	<b>24,492</b>	<b>24,474</b>
Reversed not affecting net income	- 6,769	0	0	- 6,769	0
Reversed affecting net income	- 281	- 307	- 7	- 595	- 521
Provided not affecting net income	0	1,138	0	1,138	0
Provided affecting net income	0	1,289	59	1,348	1,079
Transfer to short-term provisions	0	0	0	0	- 540
<b>As at 31.12.</b>	<b>0</b>	<b>17,108</b>	<b>2,506</b>	<b>19,614</b>	<b>24,492</b>

In 2010, the SPG pension fund drafted regulations for early retirement and the SPF paid CHF 6.8 million to the pension fund as a one-off foundation contribution. In future, the pension fund will charge ongoing costs to the employers on an annual basis.

The Benefactors' Association grants lifelong memberships. These are reported in the account of the Benefactors' Association on an accrual basis. Although the Foundation has already received the corresponding liquid funds, these may not yet be posted as income. Since these liquid funds are prepayments from long-term memberships, this prepayment was allocated to long-term provisions.

The presentation style of 2009 was adapted to suit the new classification for 2010.

## 22. Deferred tax liabilities

1,000 CHF	31.12.10	31.12.09
Deferred tax liabilities attributable to temporal differences	2,647	2,971
<b>Total</b>	<b>2,647</b>	<b>2,971</b>

The Foundation and some subsidiary companies and affiliated organisations are exempt from tax. The companies mentioned in note 18 are taxed as normal.

Deferred tax liabilities attributable to temporal differences at these companies are based on different values for tax accounting purposes in value adjustments and depreciation. Deferred tax liabilities on property gains are incurred in connection with investment properties, depending on the legislation of the canton where the corresponding property is located.

## 23. Restricted funds

1,000 CHF	Funds of third parties				Funds of affiliated bodies			2010	2009 *
	'Dr Albert Rinderknecht Fund'	'Heinrich Bühler Fund'	'Heinz and Madeleine Oppenheimer Fund'	'Hermann and Kornelia Winkler Fund'	'Research Fund'	'Integration' Fund	'Support to Members' Fund		
<b>Cost</b>									
<b>As at 01.01.</b>	<b>1,800</b>	<b>2 009</b>	<b>1 301</b>	<b>0</b>	<b>0</b>	<b>16,782</b>	<b>0</b>	<b>21,892</b>	<b>21,952</b>
Receipt of new funds	0	0	0	494	3 483	976	7 000	11,953	0
Use as per intended purpose	0	0	- 75	0	- 2 618	0	0	- 2,693	- 388
Revaluation	0	0	- 115	0	0	0	0	- 115	328
<b>As at 31.12.</b>	<b>1,800</b>	<b>2 009</b>	<b>1 111</b>	<b>494</b>	<b>865</b>	<b>17,758</b>	<b>7 000</b>	<b>31,037</b>	<b>21,892</b>

\* The presentation style of 2009 was adapted to suit the new classification for 2010.

The assets of the restricted funds as well as the restrictions were presented in note 11 on page 21. The commitments entered as liabilities show the original value upon devolution of the inheritance or legacy, less any use of the donated capital.

The addition to the 'Support to Members' fund consisted of a CHF 6.5 million allocation of association capital and a CHF 0.5 million credit from current funds.

The addition to the 'Integration' fund consists of CHF 0.24 million of association capital and CHF 0.74 million from current accounts.

# NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

## 24. Association capital and Profit/(loss) for the year of affiliated organisations

The Association capital of the affiliated organisations does not form part of the organisation capital as the associations may dispose of their assets autonomously.

The Benefactors' Association of Swiss Paraplegics Foundation has set aside CHF 7.0 million of association capital under a separate association capital item in the form of internally generated restricted operating funds, which is now listed under note 23.

The Swiss Paraplegics Association has deposited CHF 0.24 million of association capital in the 'Integration' fund.

## 25. Organisation capital

1,000 CHF	Paid-in Foundation capital	Revaluation reserve	Internally generated operating funds	'Holistic Rehabilitation' fund	Annual result	2010	2009
<b>As at 01.01.</b>	<b>10</b>	<b>13,436</b>	<b>205,776</b>	<b>24,150</b>	<b>1,965</b>	<b>245,337</b>	<b>230,082</b>
Annual result	0	0	0	0	934	934	1,965
Change to the revaluation reserve	0	0	0	0	0	0	- 446
Allocation to free capital	0	0	1,965	0	- 1,965	0	0
Allocation to restricted capital *	0	0	0	0	0	0	386
Allocation to the 'Holistic Rehabilitation' fund	0	0	0	12,000	0	12,000	13,350
Rounding difference	0	0	1	0	0	1	0
<b>As at 31.12.</b>	<b>10</b>	<b>13,436</b>	<b>207,742</b>	<b>36,150</b>	<b>934</b>	<b>258,272</b>	<b>245,337</b>

\* Incl. restatement (increase) in 'internally generated operating funds' of CHF 0.25 million for Radiologie Luzern Land AG.

The foundation capital of CHF 10,000 was personally donated in 1975 by the founder, pioneer and current Honorary Chairman, Dr med Dr sc nat hc Guido A. Zäch.

The revaluation reserves include the increase in value of the investment properties above the costs of acquisition (in accordance with the Swiss Code of Obligations) at the time of restatement to Swiss GAAP ARR as at 31 December 2007.

The 'Holistic Rehabilitation' fund is a company fund designed to guarantee the medium and long-term viability of the Foundation as a whole. In accordance with the fund regulations, the financing is provided from the current account, specific donations and legacies. The fund's assets are invested in securities and investment properties.

The Board of Trustees has the authority to use or withdraw financing from the fund.

The purpose of the 'Holistic Rehabilitation' fund is to guarantee

- the qualitative and quantitative services of the Foundation and its subsidiaries for paraplegics irrespective of how the benefits are covered by insurance companies, health insurance and the public sector
- the development of the network of services to cover current and future requirements of paraplegics in accordance with the purpose of the Foundation with the aim of holistic rehabilitation
- the geographical expansion of the network of services to cover the whole of Switzerland so that all paraplegics can have access to the same services, irrespective of their place of residence
- the viability of the Foundation as a whole if extraordinary events occur.

## Operating/income statement

### 26. Benefactors' contributions, donations, inheritances and legacies

1,000 CHF	2010	2009
Benefactors' contributions	63,667	62,498
Donations	2,242	2,075
Inheritances and legacies	7,969	5,994
<b>Total</b>	<b>73,878</b>	<b>70,567</b>

### 27. Income from services rendered and trading activities

1,000 CHF	2010	2009
Medical services	88,730	88,799
Sales from trading activities	13,965	13,325
Conversion of vehicles	1,626	1,671
Training courses	1,861	1,555
Other services	1,876	1,866
<b>Total</b>	<b>108,058</b>	<b>107,216</b>

The presentation style of 2009 was adapted to suit the new classification for 2010.

### 28. Public-sector income

1,000 CHF	2010	2009
Income for specific-purpose research	2,912	1,444
Income for medical services	709	356
Income for other services	2,642	2,585
<b>Total</b>	<b>6,263</b>	<b>4,385</b>

Income for other services mostly comprises payments made by the Federal Social Insurance Office (FSIO) for the Swiss Paraplegics Association.

### 29. Other income

1,000 CHF	2010	2009
Income from catering	5,426	5,991
Income from hotel business	2,249	1,818
Income from leasing activities	1,037	1,125
Income from parking	665	668
Other income	3,816	2,267
<b>Total</b>	<b>13,193</b>	<b>11,869</b>

Other income also includes services provided to third parties, such as charges for pension fund administration, advertisements in the 'Paraplegie' publication, district heating, and capitalisation of project costs associated with fundraising and works of art.

The presentation style of 2009 was adapted to suit the new classification for 2010.

### 30. Decrease in revenues

1,000 CHF	2010	2009
Losses on accounts receivable	54	93
Creation/reversal of del credere	70	- 189
<b>Total</b>	<b>124</b>	<b>- 96</b>

### 31. Support services and support to members

1,000 CHF	2010	2009
Support services		
directly to paraplegics, net	10,248	7,334
for the area of Solidarity	468	794
for the area of Medicine	0	0
for the area of Integration and		
lifelong assistance	2,943	2,528
for the area of Research	1,528	1,656
Reversal provision	- 4,000	0
<b>Total</b>	<b>11,187</b>	<b>12,312</b>

The reversal of provisions to the value of CHF 4 million related to BA provisions for direct support. Instead of these provisions, the BA now has internally generated restricted association capital of CHF 7 million.

Direct support (net) also includes the subsequent partial repayment of support provided by insurance companies and health insurance funds, but not the non-covered hospital costs incurred for the benefit of paraplegics by the SPC and assumed by the Foundation to the value of CHF 3.9 million (previous year CHF 2.9 million).

The presentation style of 2009 was adapted to suit the new classification for 2010.

### 32. Cost of goods and services

1,000 CHF	2010	2009
Goods purchased	173	78
Change in stocks	- 70	11
Medical services	16,428	16,326
Orthopaedic services	702	667
Food costs	2,959	3,107
Other costs of goods and services	887	910
<b>Total</b>	<b>21,079</b>	<b>21,099</b>

The presentation style of 2009 was adapted to suit the new classification for 2010.

# NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

## 33. Personnel expenses

1,000 CHF	2010	2009
Salary costs	85,951	79,928
Social security costs	5,810	5,615
Pension fund costs	6,070	5,624
Costs of temporary staff	510	640
Other personnel costs	2,166	3,110
<b>Total</b>	<b>100,507</b>	<b>94,917</b>
Average employed persons (full-time positions)	966.2	889.7
<b>Personnel expenses average</b>	<b>104</b>	<b>107</b>

The presentation style of 2009 was adapted to suit the new classification for 2010.

## Employment by area

Full-time equivalents	31.12.10	31.12.09
Solidarity	31.3	40.4
Medicine	824.3	740.7
Integration and lifelong assistance	96.6	104.0
Research	50.6	44.5
<b>Total</b>	<b>1,002.8</b>	<b>929.6</b>

## Employment by role

Full-time equivalents	31.12.10	31.12.09
Doctors, academics	114.9	98.4
Specialist medical staff	304.6	272.8
Specialist care staff	231.6	210.0
Specialist administrative staff	200.2	200.8
Specialist economic staff	131.9	130.9
Specialist technical staff	19.6	16.7
<b>Total</b>	<b>1,002.8</b>	<b>929.6</b>

## Employees

Number of persons	31.12.10	31.12.09
Doctors, academics	135	109
Specialist medical staff	424	356
Specialist care staff	329	280
Specialist administrative staff	258	249
Specialist economic staff	176	177
Specialist technical staff	21	18
<b>Total</b>	<b>1,343</b>	<b>1,189</b>

Personnel expenses rose following an increase in posts for doctors, specialist medical staff and specialist care staff who carried out extra work, which contributed to sales accordingly. The workloads of medical consultants, temporary staff and external members of the Board of Directors/Board of Trustees are not included in the aforementioned employee figures but are included in the personnel expenses. However, the impact on average expenses is minor.

## 34. Operating and maintenance expenses

1,000 CHF	2010	2009
Budgetary costs	1,733	2,030
Maintenance and repairs	1,974	1,834
Costs for minor purchases	1,552	1,220
Vehicle costs incl. insurance	203	183
Energy, water and waste disposal costs	1,666	1,511
<b>Total</b>	<b>7,128</b>	<b>6,778</b>

## 35. Rent and utilities expenses

1,000 CHF	2010	2009
Rental costs	1,200	1,056
Cleaning costs	787	807
Technical maintenance costs	954	421
Heating costs	446	1,210
<b>Total</b>	<b>3,387</b>	<b>3,494</b>

The presentation style of 2009 was adapted to suit the new classification for 2010.

## 36. Expenses for public relations work and fundraising activities

1,000 CHF	2010	2009
'Paraplegie' publication and mailing costs	2,635	2,688
Other publication and mailing costs	32	121
Advertising production costs	556	60
Sponsorship, events, functions	552	194
Trade fair, exhibition and stand campaigns	39	69
Marketing and communication costs	4,324	3,823
Fundraising expenses	660	268
<b>Total</b>	<b>8,798</b>	<b>7,223</b>

The presentation style of 2009 was adapted to suit the new classification for 2010.

### 37. Administrative and IT expenses

1,000 CHF	2010	2009
General office expenses	2,385	2,602
Telephone, fax, Internet	415	333
Consulting expenses	1,210	1,803
Consulting expenses for IDS/KIS	4,444	2,780
Audit expenses	347	555
IT expenses	1,984	2,026
Travel and representational costs	303	217
Insurance expenses	514	653
Fees and levies	255	288
<b>Total</b>	<b>11,857</b>	<b>11,257</b>

There will be no consulting expenses for IDS/KIS in 2011.  
The presentation style of 2009 was adapted to suit the new classification for 2010.

### 38. Other operating expenses

1,000 CHF	2010	2009
Patient expenses	419	274
Hospital expenses	52	37
Other operating expenses	291	156
Expenses relating to different accounting periods	0	47
<b>Total</b>	<b>762</b>	<b>514</b>

### 39. Other operating income

1,000 CHF	2010	2009
Other operating income	1,424	115
Income from the sale of tangible assets	14	56
<b>Total</b>	<b>1,438</b>	<b>171</b>

Other operating income is derived from the reversal of provisions of around CHF 812,000 not required by the Swiss Paraplegics Foundation (see note 33, page 48) and the reversal of various accruals totalling CHF 610,000 for Swiss Paraplegics Centre AG.

### 40. Depreciation and amortisation

1,000 CHF	2010	2009
Depreciation of tangible assets	20,197	20,038
Amortisation of intangible assets	605	479
<b>Total</b>	<b>20,802</b>	<b>20,517</b>

### 41. Financial result

1,000 CHF	2010	2009
Securities (charges, valuation adjustments)	869	460
Foreign currency expenses	0	0
Account fees, charges, interest	54	61
Interest on bank loans	177	2,863
<b>Total financial expenses</b>	<b>1,100</b>	<b>3,384</b>
Income from securities and participations	348	1,714
Securities (value adjustments)	123	363
Income from foreign currencies	32	0
Interest on loans	621	74
<b>Total financial income</b>	<b>1,124</b>	<b>2,151</b>
<b>Financial result</b>	<b>24</b>	<b>- 1,233</b>

The financial result of the restricted funds is recorded in note 43.

During the previous year, income from participations included CHF 1.3 million from the sale of Landhaus Paracelsus AG in Bad Ragaz.

### 42. Result from real estate held for investment purposes

1,000 CHF	2010	2009
Personnel expenses (caretakers)	40	44
Administrative expenses	372	374
Maintenance expenses	775	885
Financial expenses	138	408
Depreciation/Impairment	2,841	0
<b>Total expenses</b>	<b>4,166</b>	<b>1,711</b>
Rental interest income	3,139	2,953
<b>Total income</b>	<b>3,139</b>	<b>2,953</b>
<b>Total</b>	<b>- 1,027</b>	<b>1,242</b>

The various property impairments can be attributed to new external factors, particularly the newly designated flood risk zone in Herisau.

With an investment value of CHF 58.7 million the net return on invested capital as of the end of 2010 was around 5.3% (previous year 4.8%).

The presentation style of 2009 was adapted to suit the new classification for 2010.

# NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

## 43. Income from restricted funds

1,000 CHF	2010	2009
<b>'Dr Albert Rinderknecht Fund'</b>		
– Income	43	73
– Expense	– 172	– 76
<b>'Heinrich Bühler Fund'</b>		
– Income	18	37
– Expense	– 73	0
<b>'Heinz and Madeleine Oppenheimer Fund'</b>		
– Income	13	9
– Expense	– 46	0
– Withdrawal of fund as per intended purpose	75	388
<b>'Integration' fund</b>		
– Income	91	200
– Expense	– 3	– 4
– Allocation to fund as per intended purpose	– 97	– 85
<b>'Projekt SPF Art. 16 FG' fund</b>		
– Income	5	0
– Expense	0	0
– Allocation to fund as per intended purpose	0	0
<b>'Support to Members' fund</b>		
– Income	0	0
– Expense	0	0
– Allocation to fund as per intended purpose	– 500	0
<b>Total</b>	<b>– 646</b>	<b>542</b>

Please see notes 11 and 23. Additions to the 'Hermann and Kornelia Winkler Fund' and 'Support to Members' fund were only recorded at the end of 2010.

## 44. Tax expenses

1,000 CHF	2010	2009
Tax on earnings on the annual result	38	50
Change to deferred tax assets/liabilities	– 268	326
<b>Total</b>	<b>– 230</b>	<b>376</b>

The falling market values of investment properties meant deferred property and gains taxes fell too, which had a correspondingly positive effect on income (see also notes 8, 18 and 22).

## 45. Allocation to the 'Holistic Rehabilitation' restricted fund

1,000 CHF	2010	2009
<b>As at 01.01.</b>	<b>24,150</b>	<b>10,800</b>
Allocation	12,000	13,350
Withdrawal	0	0
<b>As at 31.12.</b>	<b>36,150</b>	<b>24,150</b>

The allocation was approved by the Board of Trustees at its meeting on 31 March 2011.

## 46. Cost of the provision of services in accordance with Swiss GAAP ARR 21

1,000 CHF	2010	2009
<b>Project expenses</b> (Group companies and affiliated organisations)		
Direct support services	11,187	12,312
Cost of goods and services	21,017	21,038
Personnel expenses	95,118	89,685
Operating and maintenance expenses	7,051	6,621
Rent and utilities expenses	3,289	2,700
Marketing expenses	949	1,339
Administrative and IT expenses	9,682	8,322
Other operating expenses and income	– 676	343
Depreciation of tangible assets	20,802	20,517
<b>Subtotal project expenses</b>	<b>168,419</b>	<b>162,877</b>
<b>Administrative expenses</b> (Foundation and Benefactors' Association)		
Cost of goods and services	62	61
Personnel expenses	5,389	5,232
Operating and maintenance expenses	77	157
Rent and utilities expenses incl. company buildings	98	794
Public relations work/fundraising activities	7,849	5,884
Administrative and IT expenses	2,175	2,935
<b>Subtotal administrative expenses</b>	<b>15,650</b>	<b>15,063</b>
<b>Total operating expenses</b>	<b>184,069</b>	<b>177,940</b>

Administrative costs of around CHF 15.6 million accounted for 8.5% of the total operating expenses of CHF 184.1 million (previous year 8.5%). The performance report in accordance with Swiss GAAP ARR 21 is recorded in the key performance indicators (page 2) as well as in the separate annual report. The presentation style of 2009 was adapted to suit the new classification for 2010.



#### 47. Contingent liabilities

1,000 CHF	31.12.10	31.12.09
Guarantees	8,439	0
Other contingent commitments	5,318	717
Lease commitments of less than 1 year	0	23
Lease commitments of more than 1 year	0	0

Guarantees relate to contingent liabilities towards AMTS in Lucerne. Other contingent liabilities relate to temporary employment contracts, contractual purchase commitments, and maintenance contracts which cannot be cancelled within 12 months or before 31 December 2011.

The presentation style of 2009 was adapted to suit the new classification for 2010.

#### 48. Rights of lien

1,000 CHF	31.12.10	31.12.09
Securities subject to a lien	99	214
Property subject to a lien	9,680	9,805
<b>Total</b>	<b>9,779</b>	<b>10,019</b>

#### 49. Operating leases

1,000 CHF	31.12.10	31.12.09
Commitments due within 1 year	158	227
Commitments due after 1 year	164	579
<b>Total lease commitments</b>	<b>322</b>	<b>806</b>
<b>Total annual lease expenses</b>	<b>274</b>	<b>249</b>

Operating leases relate exclusively to photocopying equipment and network printers for the entire Group.

#### 50. Foundation professorship

1,000 CHF	31.12.10	31.12.09
'Health Science and Health Policy' foundation professorship	5,850	7,300
<b>Total</b>	<b>5,850</b>	<b>7,300</b>

#### 51. Transactions with affiliated persons

Included under affiliated persons (legal entities and natural persons) are all organisations belonging to the scope of consolidation. ParaHelp, the Swiss Paraplegics Association and the Benefactors' Association of Swiss Paraplegics Foundation are included in the scope of consolidation and the transactions have been consolidated accordingly.

The support contribution of the Swiss Paraplegics Association to the Swiss Paralympic Committee amounted to CHF 0.1 million in 2010, the same figure as in the previous year. The support to the St. Margrethenkapelle Nottwil Foundation was the same as in the previous year, with direct responsibility assumed for ongoing maintenance work at the cost of some CHF 20,000. Remunerations to the Board of Trustees, Management Board and affiliated persons are disclosed in the annual report under Corporate Governance.

#### 52. Risk assessment

At its meeting on 16 February 2011, the Board of Trustees carried out a further risk assessment. The aim of the risk assessment process is to allow risks to be identified and assessed early and any corresponding measures to be taken. Systematically recorded, analysed and prioritised risks as well as the resultant measures/controls are combined in a risk matrix and assessed annually by the Board of Trustees.

#### 53. Subsequent events

Between the balance sheet date and the publication date of these Annual Financial Statements, no further events occurred in the Group's external relations which might have a considerable impact on the Annual Financial Statements 2010. Structural changes are recorded on page 10. There are no further circumstances subject to reporting requirements in accordance with article 663b of the Swiss Code of Obligations.

#### 54. Approval of the Annual Financial Statements

The Board of Trustees approved these confidential consolidated financial statements at its meeting on 3 May 2011 and released them for submission to the Swiss Federal Supervisory Authority for Foundations, Berne. The Board of Trustees requests that the Swiss Federal Supervisory Authority for Foundations approve these consolidated financial statements.

# REPORT OF THE STATUTORY AUDITOR



## Report of the statutory auditor to the Board of the Swiss Paraplegics Foundation

### Report of the statutory auditor on the consolidated financial statements

As statutory auditor, we have audited the consolidated financial statements of the Swiss Paraplegics Foundation and its affiliated organisations, which comprise the balance sheet, operating/income statement, cash flow statement, statement of changes in equity and notes (pages 4 to 31), for the year ended 31 December 2010. In accordance with Swiss GAAP ARR 21, the information in the performance report (page 2 as well as in the separate annual report) is not required to be subject to audit.

#### Board's responsibility

The Board is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the requirements of Swiss GAAP ARR 21, Swiss law and the foundation's deed. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The Board is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

#### Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion

In our opinion, the consolidated financial statements for the year ended 31 December 2010 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with Swiss GAAP ARR 21 and comply with Swiss law and the foundation's deed.

### Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 83b paragraph 3 CC in connection with article 728 CO) and that there are no circumstances incompatible with our independence.

In accordance with article 83b paragraph 3 CC in connection with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Trustees.

We recommend that the consolidated financial statements submitted to you be approved.

PricewaterhouseCoopers AG

A handwritten signature in black ink, appearing to read 'N. Kühnis'.

Norbert Kühnis  
Audit expert  
Auditor in charge

A handwritten signature in black ink, appearing to read 'B. Mebold'.

Barbara Mebold  
Audit expert

Lucerne, 3 May 2011



# FINANCIAL REPORT OF THE SWISS PARAPLEGICS FOUNDATION

## Further increase in income – Strong balance sheet and significant reduction in liabilities

### **Further increase in income from benefactors and donations**

The measures introduced in 2009 with a view to increasing income started to pay off during 2010. Income from benefactors, as well as donations and inheritances, rose by a total of CHF 6.2 million.

### **Reduction in rental income from subsidiary companies and affiliated organisations**

In 2010, rental income for all subsidiary companies and affiliated organisations was reduced to new standard industry benchmarks and new contractual regulations agreed. This led to a marked loss of income, which was offset by increased income from benefactors and donations. In total, income increased by CHF 0.5 million.

### **Stable costs and strong EBIT**

Operating costs increased by a total of CHF 0.6 million, almost all of which can be attributed to increased expenditure on fundraising. Costs now also include the direct costs associated with the research laboratory department of Swiss Paraplegic Research AG, which was transferred to the Foundation with retroactive effect as of 1 January 2010 to ensure compliance with the provisions of the Swiss Research Act (Forschungsgesetz). Linear additional income and expenditure saw EBIT remain at the same level of CHF 13.7 million (16.0% of income).

### **Strong balance sheet and marked reduction in liabilities**

Organisation capital (equity capital) increased by CHF 12 million to CHF 257 million or 75% of total assets (previous year 69%).

In total, liabilities were reduced by CHF 25.5 million in 2010, in spite of major investments in renovation work (CHF 7 million) and the acquisition of the research laboratory (CHF 0.5 million net).

### **Outlook for 2011**

The increased and improved services introduced for the benefit of paraplegics in 2009 and largely implemented in 2010 will lead to an increase in operating contributions, which will prevent the Foundation from making any sizeable payments to the 'Holistic Rehabilitation' fund in future. From now on, any new projects launched will be partly financed by this fund. Further simplification of structures and processes should make the Group more efficient. We are looking forward to the new challenges.

Pius Bernet  
Head of Finance and Controlling

# BALANCE SHEET

CHF	Note	31.12.10	%	31.12.09 *	%
<b>Assets</b>					
Liquid assets	1	1,107,003	0.3	4,901,763	1.4
Short-term financial assets	2	326,605	0.1	799,766	0.2
Trade accounts receivable	3	500,211	0.1	1,139,087	0.3
Other receivables	4	368,571	0.1	385,580	0.1
Inventories	5	100,000	0.0	12,902	0.0
Prepaid expenses/deferred charges	6	2,587,765	0.8	387,572	0.1
<b>Total current assets</b>		<b>4,990,155</b>	<b>1.4</b>	<b>7,626,670</b>	<b>2.1</b>
Financial assets and participations	7	55,352,169	16.1	53,709,822	15.0
Real estate held for investment purposes	8	39,733,948	11.5	41,351,801	11.6
Tangible assets **	9	234,559,655	68.2	245,601,581	68.8
Intangible assets	10	747,582	0.2	116,634	0.0
Restricted assets (fund assets)	11	8,787,387	2.6	8,585,027	2.5
<b>Total fixed assets</b>		<b>339,180,741</b>	<b>98.6</b>	<b>349,364,865</b>	<b>97.9</b>
<b>Total assets</b>		<b>344,170,896</b>	<b>100.0</b>	<b>356,991,535</b>	<b>100.0</b>
<b>Liabilities</b>					
Short-term financial liabilities	12	0	0.0	10,000,000	2.8
Trade accounts payable	13	6,778,923	2.0	18,163,760	5.1
Other short-term liabilities	14	49,689,948	14.4	50,256,650	14.1
Accruals and deferred income	15	747,209	0.2	1,860,458	0.5
Short-term provisions	16	2,963,250	0.9	3,235,734	0.9
<b>Total short-term outside capital</b>		<b>60,179,330</b>	<b>17.5</b>	<b>83,516,602</b>	<b>23.4</b>
Long-term financial liabilities	17	3,000,000	0.9	0	0.0
Long-term provisions	19	17,138,718	5.0	22,074,666	6.2
Deferred tax liabilities	20	915,324	0.2	1,117,801	0.3
<b>Total long-term outside capital</b>		<b>21,054,042</b>	<b>6.1</b>	<b>23,192,467</b>	<b>6.5</b>
<b>Total outside capital</b>		<b>81,233,372</b>	<b>23.6</b>	<b>106,709,069</b>	<b>29.9</b>
<b>Total restricted funds</b>	21	<b>5,414,485</b>	<b>1.6</b>	<b>5,111,045</b>	<b>1.4</b>
Paid-in foundation capital	22	10,000	0.0	10,000	0.0
Revaluation reserves	22	26,166,058	7.6	26,166,058	7.3
Internally generated unrestricted operating funds	22	194,845,363	56.6	193,928,715	54.3
Internally generated restricted 'Holistic Rehabilitation' fund	22	36,150,000	10.5	24,150,000	6.8
Profit/(loss) for the year following allocation	22	351,618	0.1	916,648	0.3
<b>Total organisation capital</b>		<b>257,523,039</b>	<b>74.8</b>	<b>245,171,421</b>	<b>68.7</b>
<b>Total liabilities</b>		<b>344,170,896</b>	<b>100.0</b>	<b>356,991,535</b>	<b>100.0</b>

\* The presentation style from 2009 was adapted to suit the new classification for 2010.

\*\* The Swiss Paraplegics Foundation acquired the tangible assets of Spinal Injury Research (Laboratory) as at 1 January 2010. The previous year was not restated.

# OPERATING/INCOME STATEMENT

CHF	Note	2010 *	%	2009	%
<b>Income</b>					
Benefactors' contributions, donations, inheritances, legacies	23	73,665,976	85.9	67,368,522	79.0
Rental income from Group companies/affiliated organisations	24	9,485,001	11.1	17,090,864	20.0
Other income	25	2,654,527	3.1	832,410	1.0
Decreases in revenue		– 800	– 0.0	0	0.0
<b>Total income</b>		<b>85,804,704</b>	<b>100.0</b>	<b>85,291,796</b>	<b>100.0</b>
<b>Operating expenses</b>					
Support services and benefactors' benefits	26	– 39,020,168	– 45.5	– 39,116,180	– 45.9
Cost of goods	27	– 61,862	– 0.1	– 60,832	– 0.1
Personnel expenses	28	– 5,646,925	– 6.6	– 4,799,821	– 5.6
Operating and maintenance expenses	29	– 111,497	– 0.1	– 122,939	– 0.1
Rent and utilities expenses	30	– 262,144	– 0.3	– 171,087	– 0.2
Expenses for public relations work and fundraising activities	31	– 7,849,203	– 9.1	– 7,468,522	– 8.8
Administrative and IT expenses	32	– 2,584,518	– 3.0	– 3,083,954	– 3.6
Other operating expenses		– 297,205	– 0.3	0	0.0
Other operating income	33	811,797	0.9	0	0.0
Depreciation and amortisation	34	– 17,061,179	– 19.9	– 16,618,730	– 19.5
<b>Total operating expenses</b>	39	<b>– 72,082,904</b>	<b>– 84.0</b>	<b>– 71,442,065</b>	<b>– 83.8</b>
<b>Operating income</b>		<b>13,721,800</b>	<b>16.0</b>	<b>13,849,731</b>	<b>16.2</b>
Financial income	35	901,515	1.1	2,461,542	2.9
Financial expenditure	35	– 1,737,681	– 2.0	– 2,972,827	– 3.5
Result from real estate held for investment purposes	36	– 594,446	– 0.7	497,319	0.6
Income from restricted funds	37	– 142,047	– 0.2	430,883	0.5
Tax expenses	20	202,477	0.2	0	0.0
<b>Profit/(loss) for the year prior to allocation to the restricted fund</b>		<b>12,351,618</b>	<b>14.4</b>	<b>14,266,648</b>	<b>16.7</b>
Allocation to the 'Holistic Rehabilitation' fund	38	– 12,000,000	– 14.0	– 13,350,000	– 15.7
<b>Profit/(loss) for the year</b>		<b>351,618</b>	<b>0.4</b>	<b>916,648</b>	<b>1.1</b>

\* The operating/income statement for 2010 reflects the acquisition of Spinal Injury Research (Laboratory) from Swiss Paraplegic Research AG as at 1 January 2010, with operating expenses of around CHF 1.1 million. The previous year was not restated.

# CASH FLOW STATEMENT

CHF	Note	2010	2009
(Indirect method with liquid assets from funds)			
<b>Cash flow from operating activities</b>			
Profit/(loss) for the year prior to allocation	22	351,618	916,648
Allocation to the 'Holistic Rehabilitation' restricted fund	22	12,000,000	13,350,000
Increase/decrease in value adjustment on financial assets and participations	7	1,439,726	190,624
Value adjustment on real estate held for investment purposes	8	1,167,853	0
Depreciation of tangible assets	9	17,030,460	16,613,644
Amortisation of intangible assets	10	30,719	5,086
Increase/decrease in provisions and deferred taxes	16, 19, 20	- 5,410,909	- 1,204,724
Change in trade accounts receivable	3	638,876	- 760,065
Change in inventories	5	- 87,098	232,250
Change in other current assets		- 1,710,023	1,125,269
Change in trade accounts payable	13	- 11,384,837	5,624,705
Change in other short-term liabilities, accruals and deferred income	14, 15	- 1,679,951	8,202,688
<b>Cash flow from operating activities (operating cash flow)</b>		<b>12,386,434</b>	<b>44,296,125</b>
<b>Cash flow from investment activities</b>			
Investments in financial assets and participations	7	- 3,410,383	- 1,887,067
Divestments of financial assets and participations	7	328,310	1,907,844
Investments in real estate held for investment purposes	8	0	- 979,521
Divestments of real estate held for investment purposes	8	450,000	4,050,000
Investments in tangible assets	9	- 7,015,635	- 1,956,214
Divestments of tangible assets	9	1,027,101	183,907
Investments in intangible assets	10	- 661,667	- 121,720
Investment in restricted assets	11	- 202,360	- 445,028
<b>Cash flow from investment activities</b>		<b>- 9,484,634</b>	<b>752,200</b>
<b>Free cash flow</b>		<b>2,901,800</b>	<b>45,048,325</b>
<b>Cash flow from financing activities</b>			
Increase/decrease in short-term financial liabilities	12	- 10,000,000	2,000,000
Increase/decrease in short-term financial liabilities	17	3,000,000	- 42,850,000
Increase/decrease in restricted funds	21	303,440	- 387,572
<b>Cash flow from financing activities</b>		<b>- 6,696,560</b>	<b>- 41,237,572</b>
<b>Change in liquid assets</b>		<b>- 3,794,760</b>	<b>3,810,753</b>
Liquid assets as at 01.01.		4,901,763	1,091,010
Liquid assets as at 31.12.		1,107,003	4,901,763
<b>Change in liquid assets</b>		<b>- 3,794,760</b>	<b>3,810,753</b>



# STATEMENT OF CHANGES IN EQUITY

## Reporting year

CHF	Opening balance 01.01.10	External allocation	Internal fund transfer	External use	Closing balance 31.12.10
<b>Internal financing</b>					
Paid-in foundation capital	10,000	0	0	0	10,000
Revaluation reserves	26,166,058	0	0	0	26,166,058
Internally generated operating funds	193,928,715	916,648	0	0	194,845,363
Internally generated restricted operating funds 'Holistic Rehabilitation' fund	24,150,000	12,000,000	0	0	36,150,000
Profit/(loss) for the year	916,648	- 565,030	0	0	351,618
<b>Total organisation capital</b>	<b>245,171,421</b>	<b>12,351,618</b>	<b>0</b>	<b>0</b>	<b>257,523,039</b>

## Previous year

CHF	Opening balance 01.01.09	External allocation	Internal fund transfer	External use	Closing balance 31.12.09
<b>Internal financing</b>					
Paid-in foundation capital	10,000	0	0	0	10,000
Revaluation reserves	26,166,058	0	0	0	26,166,058
Internally generated operating funds	193,162,112	766,603	0	0	193,928,715
Internally generated restricted operating funds 'Holistic Rehabilitation' fund	10,800,000	13,350,000	0	0	24,150,000
Profit/(loss) for the year	766,603	150,045	0	0	916,648
<b>Total organisation capital</b>	<b>230,904,773</b>	<b>14,266,648</b>	<b>0</b>	<b>0</b>	<b>245,171,421</b>

The foundation capital was paid in on 12 March 1975 by the founder and pioneer Dr med Dr sc nat hc Guido A. Zäch. The revaluation reserves include increases in the value of investment properties above the costs of acquisition (in accordance with the Swiss Code of Obligations) at the time of restatement to Swiss GAAP ARR.

The internally generated operating funds represent the cumulative annual net incomes since the establishment of the Foundation.

The 'Holistic Rehabilitation' internally generated restricted operating fund is presented on pages 15 and 25. Financing for the fund is assured from the current account.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

## Valuation principles

The following notes to the Annual Financial Statements are based on the valuation principles which are set out on pages 11 to 15.

## Balance sheet

### 1. Liquid assets

CHF	31.12.10	31.12.09
Cash assets	2,392	13,936
Held at banks and in postal accounts	1,104,611	4,887,827
<b>Total</b>	<b>1,107,003</b>	<b>4,901,763</b>

### 2. Short-term financial assets

CHF	31.12.10	in %	31.12.09	in %	Spreads
Bonds					
CHF domestic	0	0%	5,136	1%	0–30%
CHF foreign	0	0%	0	0%	20–65%
Foreign currencies	0	0%	0	0%	0–20%
Equities					
domestic	0	0%	601,148	75%	10–30%
foreign	0	0%	11,329	1%	5–25%
Indirect real estate	300,000	92%	0	0%	0–10%
Alternative investments	26,605	8%	182,153	23%	0–10%
<b>Total</b>	<b>326,605</b>	<b>100%</b>	<b>799,766</b>	<b>100%</b>	

Indirect assets relate to mortgage-backed loans to third parties. Last year's shares and alternative assets were disposed of as profit withdrawals. The free security portfolio is to be increased to a level within target parameters during 2011. Alternative assets as at 31 December 2010 include donated derivatives.

### 3. Trade accounts receivable

CHF	31.12.10	31.12.09
Property management	0	130,117
Other receivables	27,332	0
Group companies	441,485	1,008,970
Affiliated organisations	32,194	0
<b>Total gross</b>	<b>501,011</b>	<b>1,139,087</b>
Del credere	– 800	0
<b>Total net</b>	<b>500,211</b>	<b>1,139,087</b>

### 4. Other receivables

CHF	31.12.10	31.12.09
F. Estermann purchase main inventory Eyhof	38,000	151,000
Withholding taxes	54,883	20,089
Advance payment	275,688	0
Affiliated organisations	0	214,491
<b>Total</b>	<b>368,571</b>	<b>385,580</b>

### 5. Inventories

CHF	31.12.10	31.12.09
Materials ParaShop and ParaBörse	100,000	43,902
<b>Total gross</b>	<b>100,000</b>	<b>43,902</b>
Value adjustment	0	– 31,000
<b>Total net</b>	<b>100,000</b>	<b>12,902</b>

The range was expanded during the financial year 2010 and the ability to make deliveries enhanced.

### 6. Prepaid expenses/deferred charges

CHF	31.12.10	31.12.09
Withdrawal of Oppenheimer Fund	0	387,572
Inheritance announcements	2,449,626	0
Prepaid costs for the following period	102,015	0
Other prepaid expenses/deferred charges	36,124	0
<b>Total</b>	<b>2,587,765</b>	<b>387,572</b>

In the financial year 2010, inheritance announcements made in favour of the Swiss Paraplegics Foundation were reported on an accrual basis for the first time. No restatement took place for the previous year.

## 7. Financial assets and participations

### 7.1 Reporting year

CHF	Loans to third parties	Loans to Group companies	Loans to affiliated persons	Loans to non-profit organisations	Participations	Total
<b>Nominal values</b>						
<b>As at 01.01.10</b>	<b>2,728,778</b>	<b>0</b>	<b>758,184</b>	<b>1,300,000</b>	<b>50,621,327</b>	<b>55,408,289</b>
Additions	1,610,383	1,800,000	0	0	0	3,410,383
Disposals	– 639,687	0	0	0	0	– 639,687
<b>As at 31.12.10</b>	<b>3,699,474</b>	<b>1,800,000</b>	<b>758,184</b>	<b>1,300,000</b>	<b>50,621,327</b>	<b>58,178,985</b>
<b>Accumulated value adjustment</b>						
<b>As at 01.01.10</b>	<b>– 1,598,467</b>	<b>0</b>	<b>0</b>	<b>– 100,000</b>	<b>0</b>	<b>– 1,698,467</b>
Value adjustment	– 357,435	0	0	– 341,494	– 740,797	– 1,439,726
Disposals	31,698	0	0	0	0	31,698
Remissions	279,679	0	0	0	0	279,679
<b>As at 31.12.10</b>	<b>– 1,644,525</b>	<b>0</b>	<b>0</b>	<b>– 441,494</b>	<b>– 740,797</b>	<b>– 2,826,816</b>
<b>Net assets as at 31.12.10</b>	<b>2,054,949</b>	<b>1,800,000</b>	<b>758,184</b>	<b>858,506</b>	<b>49,880,530</b>	<b>55,352,169</b>
Net assets as at 31.12.09	1,130,311	0	758,184	1,200,000	50,621,327	53,709,822
of which pledged	0	0	0	0	0	0
of which mortgage-backed	5,199,000	4,570,000	750,000	1,300,000	0	11,819,000

Loans to third parties are interest-free loans granted to paraplegics and are generally mortgage-backed. Since the loans are interest-free, a discount of 3%, which is reported as a value adjustment, was applied to the loans. The Board of Trustees provides additional direct support to paraplegics on request or according to need by waiving loans previously granted.

The Benefactors' Association assigned the Swiss Alpine Resort loan of CHF 1 million to the Swiss Paraplegics Foundation. The loan to affiliated persons was granted to the Honorary Chairman, Dr med Dr sc nat hc Guido A. Zäch. Two loans were granted to non-profit organisations. The value adjustment of CHF 0.35 million represents remissions agreed for the future. The table of participations is on page 40.

### 7.2 Previous year

CHF	Loans to third parties	Loans to Group companies	Loans to affiliated persons	Loans to non-profit organisations	Participations	Total
<b>Nominal values</b>						
<b>As at 01.01.09</b>	<b>2,618,578</b>	<b>243,847</b>	<b>758,184</b>	<b>1,300,000</b>	<b>50,508,457</b>	<b>55,429,066</b>
Additions	114,700	0	0	0	1,772,367	1,887,067
Disposals	– 4,500	– 243,847	0	0	– 1,659,497	– 1,907,844
<b>As at 31.12.09</b>	<b>2,728,778</b>	<b>0</b>	<b>758,184</b>	<b>1,300,000</b>	<b>50,621,327</b>	<b>55,408,289</b>
<b>Accumulated value adjustment</b>						
<b>As at 01.01.09</b>	<b>– 1,571,819</b>	<b>0</b>	<b>0</b>	<b>– 100,000</b>	<b>0</b>	<b>– 1,671,819</b>
Value adjustment	– 26,648	0	0	0	0	– 26,648
Disposals	0	0	0	0	0	0
<b>As at 31.12.09</b>	<b>– 1,598,467</b>	<b>0</b>	<b>0</b>	<b>– 100,000</b>	<b>0</b>	<b>– 1,698,467</b>
<b>Net assets as at 31.12.09</b>	<b>1,130,311</b>	<b>0</b>	<b>758,184</b>	<b>1,200,000</b>	<b>50,621,327</b>	<b>53,709,822</b>
Net assets as at 31.12.08	1,046,759	243,847	758,184	1,200,000	50,508,457	53,757,247
of which pledged	0	0	0	0	0	0
of which mortgage-backed	1,100,000	0	750,000	1,300,000	0	3,150,000

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

## Participations of the Swiss Paraplegics Foundation

Company	Purpose *	Number/ Type of shares Unit	Nominal value of share CHF	Nominal share capital CHF	Level of partici- pation %	31.12.10 Net assets CHF	31.12.09 Net assets CHF
Swiss Paraplegics Centre Nottwil AG, Nottwil	M	2,500 Reg	10,000	25,000,000	100%	30,705,681	30,386,966
Swiss Paraplegic Management Services AG, Nottwil	IA	100 Reg	1,000	100,000	100%	158,335	166,363
Swiss Paraplegic Research AG, Nottwil	R	100 Reg	10,000	1,000,000	100%	1,160,722	1,137,619
SIRMED Swiss Institute for Rescue Medicine AG, Nottwil	M	100 Reg	1,000	100,000	100%	146,243	136,485
Orthotec AG, Nottwil	IA	200 Reg	1,000	200,000	100%	5,509,996	4,512,516
Paramobil AG (merged with Orthotec AG in 2010)	IA	500 Reg	1,000	500,000	100%	0	748,438
Amor AG Immobiliengesellschaft, Berne	S, I	4,000 Reg	50	200,000	100%	3,252,405	3,483,126
Hotel Herisau AG, Herisau	IA	5,000 Reg	1,000	5,000,000	100%	8,947,148	10,049,814
<b>Total net assets</b>						<b>49,880,530</b>	<b>50,621,327</b>

- \* S = Solidarity (fundraising activities, direct assistance, public relations work)  
M = Medicine (out-patient and in-patient care, prevention)  
IA = Integration and lifelong assistance  
R = Research  
I = Assets held for investment purposes in the area of Solidarity

Participations are subject to an annual impairment test. The historical acquisition costs include the foundation capital or the purchase price plus the accumulated annual support contributions for preventing over-indebtedness. The companies can only cover their costs with the Foundation's benefactor contribu-

tions. The total net assets are less than the historical acquisition costs including the annual support contributions mentioned above. The valuation of the participations is therefore dependent on the Foundation being confirmed as a going concern, something which is generally accepted, and is explicitly confirmed with the annual budget for the following year. Real estate at Hotel Herisau AG was reduced by CHF 1 million to cover the risk of having to share the costs of flood-related renovations.

## 8. Real estate held for investment purposes

CHF	2010	2009
<b>Market value as at 01.01</b>	<b>41,351,801</b>	<b>44,422,280</b>
<b>Investment costs 01.01.</b>	<b>39,200,385</b>	<b>42,270,864</b>
Additions from purchases	0	250,000
Additions from investments	0	279,521
Additions from inheritance	0	450,000
Disposals from sale	- 450,000	- 4,050,000
<b>Accumulated investment costs 31.12.</b>	<b>38,750,385</b>	<b>39,200,385</b>
<b>Net change in investment costs</b>	<b>- 450,000</b>	<b>- 3,070,479</b>
<b>Accumulated revaluation 01.01.</b>	<b>2,151,416</b>	<b>2,151,416</b>
Increases in value	590,000	0
Decreases in value	- 1,757,853	0
Additions	0	0
Disposals	0	0
<b>Accumulated revaluations 31.12.</b>	<b>983,563</b>	<b>2,151,416</b>
<b>Net change in revaluation</b>	<b>- 1,167,853</b>	<b>0</b>
<b>Market value as at 31.12.</b>	<b>39,733,948</b>	<b>41,351,801</b>
Fire insurance value	50,276,800	45,586,500

All property was revalued by BDO AG Zurich as at 31 December 2010. The valuation method is described on pages 12 and 13. The inherited property was sold in the first quarter of 2010 for the same value.

## 9. Tangible assets

### 9.1 Reporting year

CHF	Undeveloped land	Buildings	Plant and equipment	Plant under construction	Furniture, machinery, works of art	IT hardware	Total
<b>Cost</b>							
<b>As at 01.01.10</b>	<b>20,692,200</b>	<b>143,747,126</b>	<b>236,349,567</b>	<b>46,463</b>	<b>2,337,060</b>	<b>103,682</b>	<b>403,276,098</b>
Additions	0	0	8,224,502	238,860	506,216	20,326	8,989,904
Disposals/deactivation	0	0	- 1,012,783	- 25,561	1,381,400	- 327,681	15,375
Reclassification	0	- 2	- 223,996	0	0	223,998	0
<b>As at 31.12.10</b>	<b>20,692,200</b>	<b>143,747,124</b>	<b>243,337,290</b>	<b>259,762</b>	<b>4,224,676</b>	<b>20,325</b>	<b>412,281,377</b>
<b>Accumulated depreciation</b>							
<b>As at 01.01.10</b>	<b>0</b>	<b>- 22,681,654</b>	<b>- 133,799,033</b>	<b>0</b>	<b>- 1,131,642</b>	<b>- 62,188</b>	<b>- 157,674,517</b>
Depreciation	0	- 1,916,628	- 14,815,994	0	- 297,406	- 432	- 17,030,460
Additions	0	0	- 1,974,269	0	0	0	- 1,974,269
Disposals/deactivation	0	30	192,456	0	- 1,428,275	193,313	- 1,042,476
Reclassification	0	0	131,125	0	0	- 131,125	0
<b>As at 31.12.10</b>	<b>0</b>	<b>- 24,598,252</b>	<b>- 150,265,715</b>	<b>0</b>	<b>- 2,857,323</b>	<b>- 432</b>	<b>- 177,721,722</b>
<b>Net assets as at 31.12.10</b>	<b>20,692,200</b>	<b>119,148,872</b>	<b>93,071,573</b>	<b>259,762</b>	<b>1,367,353</b>	<b>19,893</b>	<b>234,559,655</b>
Net assets as at 31.12.09	20,692,200	121,065,472	102,550,534	46,463	1,205,418	41,494	245,601,581
of which finance leases	0	0	0	0	0	0	0
of which pledged	0	0	0	0	0	0	0
Insured values							326,382,655

All undeveloped land (approximately CHF 4.6 million) is located in Nottwil, predominantly in the SPC special zone with some parcels of land bordering the lake in the agricultural zone. The buildings include the structural shell of the SPC and GZI company buildings. The interior fixtures and fittings and the installa-

tions of the two company buildings are reported under plant and equipment. The methods for the valuation and depreciation of tangible assets are explained on page 12. The reclassifications were necessary to ensure consistency with the updated classification for management reporting.

### 9.2 Previous year

CHF	Undeveloped land	Buildings	Plant and equipment	Plant under construction	Furniture, machinery, works of art	IT hardware	Total
<b>Cost</b>							
<b>As at 01.01.09</b>	<b>20,692,200</b>	<b>143,747,124</b>	<b>234,517,457</b>	<b>0</b>	<b>2,450,570</b>	<b>83,700</b>	<b>401,491,051</b>
Additions	0	2	1,832,110	46,463	57,658	19,982	1,956,215
Disposals	0	0	0	0	- 171,168	0	- 171,168
<b>As at 31.12.09</b>	<b>20,692,200</b>	<b>143,747,126</b>	<b>236,349,567</b>	<b>46,463</b>	<b>2,337,060</b>	<b>103,682</b>	<b>403,276,098</b>
<b>Accumulated depreciation</b>							
<b>As at 01.01.09</b>	<b>0</b>	<b>- 20,765,026</b>	<b>- 119,305,788</b>	<b>0</b>	<b>- 932,770</b>	<b>- 44,551</b>	<b>- 141,048,135</b>
Depreciation	0	- 1,916,626	- 14,480,510	0	- 198,872	- 17,636	- 16,613,644
Disposals	0	- 2	- 12,735	0	0	- 1	- 12,738
<b>As at 31.12.09</b>	<b>0</b>	<b>- 22,681,654</b>	<b>- 133,799,033</b>	<b>0</b>	<b>- 1,131,642</b>	<b>- 62,188</b>	<b>- 157,674,517</b>
<b>Net assets as at 31.12.09</b>	<b>20,692,200</b>	<b>121,065,472</b>	<b>102,550,534</b>	<b>46,463</b>	<b>1,205,418</b>	<b>41,494</b>	<b>245,601,581</b>
Net assets as at 31.12.08	20,692,200	122,982,099	115,211,669	0	1,517,800	39,148	260,442,916
of which finance leases	0	0	0	0	0	0	0
of which pledged	0	0	0	0	0	0	0
Insured values							317,793,755

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

## 10. Intangible assets

CHF	Operating software	Trademarks, patents	2010	2009
<b>Cost</b>				
<b>As at 01.01.</b>	<b>873,720</b>	<b>0</b>	<b>873,720</b>	<b>752,000</b>
Additions	660,317	1,350	661,667	121,720
Disposals	0	0	0	0
<b>As at 31.12.</b>	<b>1,534,037</b>	<b>1,350</b>	<b>1,535,387</b>	<b>873,720</b>
<b>Accumulated amortisation</b>				
<b>As at 01.01.</b>	<b>- 757,086</b>	<b>0</b>	<b>- 757,086</b>	<b>- 752,000</b>
Amortisation	- 30,708	- 11	- 30,719	- 5,086
Disposals	0	0	0	0
<b>As at 31.12.</b>	<b>- 787,794</b>	<b>- 11</b>	<b>- 787,805</b>	<b>- 757,086</b>
<b>Net assets as at 31.12.</b>	<b>746,243</b>	<b>1,339</b>	<b>747,582</b>	<b>116,634</b>
of which financial leases			0	0
Insured values			1,530,000	900,000

The operating software is a special program for managing addresses and payments of around 1.5 million benefactors (incl. family members).

The valuation and depreciation principles are set out on page 13. 'Swiss Paraplegics Foundation' was registered as a trademark in December and capitalised with a value of CHF 1,350.

## 11. Restricted assets (fund assets)

CHF	Securities 'Dr Albert Rinderknecht Fund'	Securities 'Heinrich Bühler Fund'	Securities 'Heinz and Madeleine Oppenheimer Fund'	Securities 'Hermann and Kornelia Winkler Fund'	2010	2009
<b>Cost</b>						
<b>As at 01.01.</b>	<b>4,905,980</b>	<b>2,099,568</b>	<b>1,579,479</b>	<b>0</b>	<b>8,585,027</b>	<b>8,215,749</b>
Correction to 'Heinz and Madeleine Oppenheimer-Fund'	0	0	- 115,963	0	- 115,963	0
Additions new Fund	0	0	0	494,400	494,400	8,181
Use as per intended purpose	0	0	- 74,997	0	- 74,997	- 387,572
Valuation at market prices	- 128,533	- 55,007	82,460	0	- 101,080	748,669
<b>As at 31.12.</b>	<b>4,777,447</b>	<b>2,044,561</b>	<b>1,470,979</b>	<b>494,400</b>	<b>8,787,387</b>	<b>8,585,027</b>

The 'Dr Albert Rinderknecht Fund' stipulates that the income can be used for the general purpose of the Foundation until 2029. In 2030, the capital may be used for the general purpose of the Foundation.

The 'Heinrich Bühler Fund' stipulates that the income may be used for the general purpose of the Foundation, whereas capital may only be used, upon a justified request, with the agreement of the executor. To date, the resources from these two funds have not been used.

The 'Heinz and Madeleine Oppenheimer Fund' stipulates that capital and income may be used primarily for paraplegics of the Jewish faith, and secondly for paraplegics with citizenship of, or who reside in, the cantons of Basel-Landschaft and Basel-Stadt. All direct support granted to the Foundation in 2010, granted in accordance with the support regulations, and which met the aforementioned conditions, was charged to this fund as at the end of 2010. The withdrawal is reported separately in the operating statement.

The 'Hermann and Kornelia Winkler Fund' can be paid out in ten annual instalments of equal amounts for the general purposes of the Foundation. The first instalment is to be drawn in 2011.



## 12. Short-term financial liabilities

CHF	31.12.10	31.12.09
Current accounts at banks	0	0
Bank loans, falling due within one year	0	10,000,000
weighted interest rate	0%	8.60%
Financial leasing liabilities		
falling due within 12 months	0	0
<b>Total</b>	<b>0</b>	<b>10,000,000</b>

Bank loans as at the end of 2009 are fixed advances on a LIBOR basis, excluding collateral. The lenders are Luzerner Kantonalbank, Credit Suisse and UBS.

Fixed advances are required through the year from the three banks stated until benefactor contributions are received in the fourth quarter.

## 13. Trade accounts payable

CHF	31.12.10	31.12.09
Local communities	569	13,864
Property management	136,153	117,291
Other service providers and suppliers	2,050,820	1,431,967
Group companies	3,363,735	10,596,631
Affiliated organisations ParaHelp, SPA	279,344	44,939
Affiliated organisation BeA	948,302	5,959,068
<b>Total</b>	<b>6,778,923</b>	<b>18,163,760</b>

Cash pooling enabled a significant reduction in liabilities towards Group companies. The liabilities with respect to BA were reduced by CHF 5 million through offsetting, ceding and netting payments.

## 14. Other short-term liabilities

CHF	31.12.10	31.12.09
Benefactors' Association prepayment	49,260,522	48,339,181
Pension fund	0	3,794
Social work institutions and social security	145,432	357,695
Swiss Federal Directorate		
General of Customs, Berne	257,702	0
Miscellaneous	26,292	1,555,980
<b>Total</b>	<b>49,689,948</b>	<b>50,256,650</b>

As at 31 December 2010, the Benefactors' Association had already forwarded prepaid membership fees to the Foundation to enable the latter to finance these commitments in advance. As in the previous year, there was no surplus cover or shortage of cover in the case of the Swiss Paraplegics Group's pension fund in 2010. As a result, no economic benefit or economic obligation arose either for the reporting year or for the previous year. There were no employer reserves either in the reporting year or in the previous year.

## 15. Accruals and deferred income

CHF	31.12.10	31.12.09
Support services	179,659	527,152
Annual report and financial report	260,000	180,000
Audit costs	87,156	145,000
Pension fund	0	0
Property costs	0	23,931
Fundraising/public relations work	0	100,000
Holiday, flexitime and overtime credits	136,927	175,404
Salary costs	11,605	205,813
Other unbilled accounts payable	71,862	503,158
<b>Total</b>	<b>747,209</b>	<b>1,860,458</b>

The deferred support services were approved in December but have not yet been paid. The changeover to Swiss GAAP ARR in 2009 saw audit costs increase significantly. The cost of financial and annual reports rose because of translation costs (three foreign languages) and higher postage costs.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

## 16. Short-term provisions

CHF	Direct support	Legal disputes	Reorgan-isation	2010	2009
<b>As at 01.01.</b>	<b>2,560,000</b>	<b>250,000</b>	<b>425,734</b>	<b>3,235,734</b>	<b>5,199,200</b>
Utilised not affecting net income	0	0	0	0	- 1,963,466
Reversed affecting net income	0	- 122,750	- 380,734	- 503,484	0
Provided affecting net income	231,000	0	0	231,000	0
<b>As at 31.12.</b>	<b>2,791,000</b>	<b>127,250</b>	<b>45,000</b>	<b>2,963,250</b>	<b>3,235,734</b>

In terms of provisions for support from benefactors, the volume of requests for support was estimated from accidents and illnesses in the previous year, based on empirical values over a number of years. As at the end of 2010 the amount increased due to the growing number of those affected.

Provisions for legal disputes include legal costs associated with the rezoning at Nottwil. There are no known outstanding or potential legal disputes against the Foundation. The reorganisation programme agreed in 2007 was almost fully completed during 2010.

## 17. Long-term financial liabilities

CHF	31.12.10	31.12.09
Long-term liabilities to banks	0	0
Liabilities to Group companies	3,000,000	0
<b>Total</b>	<b>3,000,000</b>	<b>0</b>

As in the previous year, there are no long-term bank liabilities. Any liquidity of the subsidiaries Orthotec AG (CHF 2 million) and Swiss Paraplegic Research AG (CHF 1 million) not required for operating purposes was assigned to the Foundation in the form of a loan (optimisation of cash pooling).

## 18. Net liquidity

CHF	31.12.10	31.12.09
Liquid assets	1,107,003	4,901,763
Short-term financial assets	326,605	799,766
less short-term financial liabilities	0	- 10,000,000
less long-term financial liabilities	- 3,000,000	0
<b>Operating net indebtedness</b>	<b>- 1,566,392</b>	<b>- 4,298,471</b>
Restricted funds	8,787,387	8,585,027
<b>Net liquidity</b>	<b>7,220,995</b>	<b>4,286,556</b>

The Foundation has net liquidity of some CHF 7.2 million.

## 19. Long-term provisions

CHF	Early retirement	Seniority gifts	Benefactors' Association prepayment	2010	2009
<b>As at 01.01.</b>	<b>7,050,000</b>	<b>36,650</b>	<b>14,988,016</b>	<b>22,074,666</b>	<b>21,315,924</b>
Reversed not affecting net income	- 6,768,846	0	0	- 6,768,846	0
Reversed affecting net income	- 281,154	- 6,196	- 306,604	- 593,954	- 356,648
Provided not affecting net income	0	0	1,138,280	1,138,280	0
Provided affecting net income	0	0	1,288,572	1,288,572	1,115,390
<b>As at 31.12.</b>	<b>0</b>	<b>30,454</b>	<b>17,108,264</b>	<b>17,138,718</b>	<b>22,074,666</b>

The Board of Trustees decided to grant all Group employees the option of early retirement and to set aside corresponding provisions. The relevant regulations were devised during 2010 by the SPG pension fund and approved by all the authorities. An amount of CHF 6.8 million was transferred to the SPG pension fund as a one-off foundation financial contribution from the employer and reversed so as not to affect net income in terms of the balance.

The Benefactors' Association grants lifelong memberships. These are reported in the account of the Benefactors' Association on an accrual basis. Although the Foundation has already received the corresponding liquid funds, it is only able to book the annual tranche as income. Since these liquid funds are prepayments from long-term memberships, this prepayment

was allocated to long-term provisions. The increase can be attributed to various upgrading and marketing activities.

## 20. Deferred tax liabilities

The Foundation is exempt from tax. Deferred tax liabilities on property gains are incurred in connection with investment properties, depending on the legislation of the canton where the corresponding property is located.

## 21. Restricted funds

CHF	Securities 'Dr Albert Rinderknecht Fund'	Securities 'Heinrich Bührer Fund'	Securities 'Heinz and Madeleine Oppenheimer Fund'	Securities 'Hermann and Kornelia Winkler Fund'	2010	2009
<b>Cost</b>						
<b>As at 01.01.</b>	<b>1,800,000</b>	<b>2,009,442</b>	<b>1,301,603</b>	<b>0</b>	<b>5,111,045</b>	<b>5,498,617</b>
Addition	0	0	0	494,400	494,400	0
Korrektur	0	0	- 115,963	0	- 115,963	0
Use as per intended purpose	0	0	- 74,997	0	- 74,997	- 387,572
<b>As at 31.12.</b>	<b>1,800,000</b>	<b>2,009,442</b>	<b>1,110,643</b>	<b>494,400</b>	<b>5,414,485</b>	<b>5,111,045</b>

The assets of the restricted funds as well as the restrictions were presented in note 11 on page 42.

The commitments entered as liabilities show the original value upon devolution of the inheritance or legacy, less any use of the donated capital.

## 22. Organisation capital

CHF	Paid-up capital	Revaluation reserve	Internally generated unrestricted operating funds	'Holistic Rehabilitation' fund	Profit/ (loss) for the year	2010	2009
<b>As at 01.01.</b>	<b>10,000</b>	<b>26,166,058</b>	<b>193,928,715</b>	<b>24,150,000</b>	<b>916,648</b>	<b>245,171,421</b>	<b>230,904,773</b>
Allocation of net profit/(loss) for the previous year	0	0	916,648	0	- 916,648	0	0
Profit/(loss) for the year before allocation	0	0	0	0	351,618	351,618	916,648
Allocation to restricted fund	0	0	0	12,000,000	0	12,000,000	13,350,000
<b>As at 31.12.</b>	<b>10,000</b>	<b>26,166,058</b>	<b>194,845,363</b>	<b>36,150,000</b>	<b>351,618</b>	<b>257,523,039</b>	<b>245,171,421</b>

The foundation capital of CHF 10,000 was personally donated in 1975 by the founder, pioneer and current Honorary Chairman, Dr med Dr sc nat hc Guido A. Zäch.

The revaluation reserves include the increase in value of the investment properties above the costs of acquisition (in accordance with the Swiss Code of Obligations) at the time of restatement to Swiss GAAP ARR.

The 'Holistic Rehabilitation' fund is a company fund designed to guarantee the medium and long-term viability of the Foundation as a whole. It was created by the Board of Trustees on 1 January 2008. In accordance with the fund regulations, the financing is provided from the current account, specific donations and legacies. The fund's assets are invested in securities and investment properties. The Board of Trustees has the authority to use or withdraw financing from the fund. Further notes on the fund are recorded on page 15.

The purpose of the 'Holistic Rehabilitation' fund is to guarantee

- the qualitative and quantitative services of the Foundation and its subsidiaries for paraplegics, irrespective of how the benefits are covered by insurance companies, health insurance and the public sector
- the development of the network of services to cover current and future requirements of paraplegics in accordance with the purpose of the Foundation with the aim of holistic rehabilitation
- the geographical expansion of the network of services to cover the whole of Switzerland so that all paraplegics can have access to the same services, irrespective of their place of residence
- the viability of the Foundation as a whole if extraordinary events occur.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

## Operating/income statement

### 23. Benefactors' contributions, donations, inheritances and legacies

CHF	2010	2009
Transfer of benefactors' contributions from BeA, gross	66,641,130	67,660,000
Accruals	- 3,041,589	- 8,337,791
<b>Subtotal benefactors' contributions, net</b>	<b>63,599,541</b>	<b>59,322,209</b>
Donations	2,186,218	2,062,296
Inheritances and legacies	7,880,217	5,984,017
<b>Total</b>	<b>73,665,976</b>	<b>67,368,522</b>

During 2010, 100% of benefactors' contributions from the Benefactors' Association were transferred to the Foundation to increase transparency. In return, the Foundation now funds support services for the Benefactors' Association under the new cooperation agreement. In 2010, the amount involved was CHF 3 million (see note 26).

Accruals are calculated on the basis of the change to the 'Benefactors' Association prepayment' (see notes 14 and 19).

### 24. Rental income

CHF	2010	2009
Group companies	9,297,804	16,699,233
Affiliated companies	187,197	383,691
Third parties	0	7,940
<b>Total</b>	<b>9,485,001</b>	<b>17,090,864</b>

The basis for calculating Group companies' rental fees was modified as follows in 2010:

- hospital operation in accordance with the REKOLE recommendation;
- catering, events and hotel business with standard industry turnover rental fees;
- other floor space in accordance with regional market-based estimates.

### 25. Other income

CHF	2010	2009
Sale of goods in the ParaShop	79,739	107,121
Proceeds of goods from the ParaBörse	88,720	65,495
Company tours	25,838	17,070
Income from 'Paraplegie' advertisements	593,278	473,892
Income from calendar advertisements	200,439	148,847
Other income	696,513	19,984
Other Group-internal income	970,000	0
<b>Total</b>	<b>2,654,527</b>	<b>832,410</b>

An inventory of works of art was undertaken in 2010, with the change of CHF 194,352 being recorded under other income. In addition, the accumulated IT project costs for the new benefactor software were capitalised and provisions for GZI building costs of CHF 356,626 were reversed. In terms of other income within the Group, Orthotec AG was allocated an development contribution of CHF 650,000 for the 'Joysteer' vehicle control system, as well as a management fee of CHF 320,000.

The presentation style from 2009 was adapted to suit the new classification for 2010.

### 26. Support services and benefactors' benefits

CHF	2010	2009
<b>Direct support 'Solidarity'</b>		
Individuals	6,295,578	4,935,364
Hospital costs SPC not covered	3,920,340	2,866,456
Institutions	472,250	794,360
<b>Subtotal direct support</b>	<b>10,688,168</b>	<b>8,596,180</b>
<b>Support services to Group companies and affiliated organisations</b>		
Medicine	13,620,000	13,680,000
Integration and lifelong assistance	5,494,000	7,150,000
Research	6,218,000	9,690,000
Solidarity (BeA) net	3,000,000	0
<b>Subtotal support</b>	<b>28,332,000</b>	<b>30,520,000</b>
<b>Total</b>	<b>39,020,168</b>	<b>39,116,180</b>

The consolidation table on page 10 explains which Group companies and affiliated organisations belong to which areas. The transfer of laboratory activities (Spinal Injury Research) as at 1 January 2010 to the Swiss Paraplegics Foundation reduced support contributions to Swiss Paraplegic Research by around CHF 1.1 million.

The Benefactors' Association concluded a new cooperation agreement with the Foundation, whereby a maximum annual amount of CHF 7 million is granted to the Benefactors' Association in the form of support services. Provisions of CHF 4 million for support to members made by the Benefactors' Association were assigned to the Foundation and offset with support services to the value of CHF 7 million.

The presentation style from 2009 was adapted to suit the new classification for 2010.

## 27. Cost of goods

CHF	2010	2009
Purchase of goods	131,761	49,732
Inventory change	– 69,899	11,100
<b>Total</b>	<b>61,862</b>	<b>60,832</b>

## 28. Personnel expenses

CHF	2010	2009
Gross wage expenditure for employees	4,395,815	3,280,899
Foundation board fees and attendance fees	422,282	509,931
Change in holiday/overtime credits	– 93,944	56,904
Change in seniority gifts	– 33,068	67,000
Social security expenditure	314,435	383,997
Pension fund costs	295,429	357,150
Temporary staff	58,067	27,342
Other personnel expenses	287,909	116,598
<b>Total</b>	<b>5,646,925</b>	<b>4,799,821</b>

Personnel costs increased by around CHF 0.8 million due to the acquisition of Spinal Injury Research from Swiss Paraplegic Research AG. In 2010, all Group employees received an extraordinary payment to celebrate '20 years of SPC'. The total amount (CHF 0.5 million) was charged to the Foundation.

## Number of employees by role

Full-time positions	31.12.10	31.12.09
Trustees	0.9	0.9
General Secretariat/support positions	2.8	5.6
Management SPF	2.9	4.0
Benefactor support/fundraising activities	11.2	12.4
Corporate communications	13.2	15.7
Property administration	1.4	1.4
Finances	0.3	1.0
Staff services	0.3	0.3
Spinal Injury Research	6.2	0.0
<b>Total</b>	<b>39.2</b>	<b>41.3</b>

Employee numbers fell by 2.2 positions, despite the acquisition of the research laboratory with 6.2 positions. Benefactor support moved from Basel to Nottwil in mid-2010.

## 29. Operating and maintenance expenses

CHF	2010	2009
Plant and machinery	92,324	114,039
Indirect material and sundries	1,067	5,919
Furniture	18,107	2,981
<b>Total</b>	<b>111,497</b>	<b>122,939</b>

## 30. Rent and utilities expenses

CHF	2010	2009
Office and storage rental fees	212,179	56,780
Cleaning	49,965	56,114
Operational safety	0	58,193
<b>Total</b>	<b>262,144</b>	<b>171,087</b>

Office and storage rental fees include the long-term rental fees within the Group for Spinal Injury Research (formerly Swiss Paraplegic Research AG), which was acquired retroactively by the Foundation as at 1 January 2010.

External security services were replaced in favour of an in-house solution during 2010.

The presentation style from 2009 was adapted to suit the new classification for 2010.

## 31. Expenses for public relations work and fundraising activities

CHF	2010	2009
Printing, distribution, translation PARAPLEGIE	2,635,685	2,688,416
Leaflets, brochures, video, film	32,052	120,893
Sponsorship fees	193,312	193,680
Exhibitions, specialist trade fairs, anniversaries	35,277	38,012
Internet, advertising, public relations	564,887	385,046
Member addresses administration	292,063	267,727
Advertising campaigns	2,299,795	1,694,642
Payment receipt fees and shipping costs	1,796,133	1,580,106
Liquidated operating deficits Paramedia	0	500,000
<b>Total</b>	<b>7,849,203</b>	<b>7,468,522</b>

Sponsorship fees relate to contributions made to the Swiss Paralympic Committee. Paramedia AG was liquidated in 2009. Its business activity was continued by the Foundation's corporate communications department.

The presentation style from 2009 was adapted to suit the new classification for 2010.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

## 32. Administrative and IT expenses

CHF	2010	2009
Office materials	98,279	78,954
Telephone, fax, Internet, postage	9,361	32,311
Consulting fees	385,745	1,184,247
Audit fees	142,712	143,278
Travel expenses	142,671	109,204
IT licences and consumables	21,224	84,132
Group internal administrative and IT expenditure	1,510,737	1,040,580
Insurance, fees and levies	207,264	292,023
Archiving expenses	0	23,380
Other administrative expenses	66,525	95,845
<b>Total</b>	<b>2,584,518</b>	<b>3,083,954</b>

Consulting fees totalling CHF 120,033 were paid to PwC in 2010 for support relating to taxation and legal issues. A further CHF 168,000 in consulting fees was paid to the consultancy firm of Dr rer. nat. h. c. Guido A. Zäch for support with fund-raising.

Expenditure on financial and annual reports is included under other administrative expenses. The basis for calculating internal IT services was redefined in 2010. The majority of consulting fees in 2009 were paid to the company hpo AG, Freienbach, whose mandate was terminated in December 2009.

The presentation style from 2009 was adapted to suit the new classification for 2010.

## 33. Other operating income

This is the income relating to different accounting periods from the reversal of provisions for early retirement and renovation work that were not required.

## 34. Depreciation and amortisation

CHF	2010	2009
Depreciation of tangible assets	17,030,460	16,613,644
Amortisation of intangible assets	30,719	5,086
<b>Total</b>	<b>17,061,179</b>	<b>16,618,730</b>

## 35. Financial result

CHF	2010	2009
Value adjustments on securities	32,878	88,227
Value adjustments on investments	1,341,415	0
Discount expenditure on interest-free loans	141,493	26,648
Account fees, charges, interest	19,379	30,122
Interest expenditure on loans	55,000	0
Bank interest expenditure incl. penalties	147,516	2,827,830
<b>Total financial expenses</b>	<b>1,737,681</b>	<b>2,972,827</b>
Income from securities	168,795	76,896
Value adjustments on securities	0	1,058,505
Income from discounts on interest-free loans	79,820	0
Value adjustments on investments	600,618	1,297,113
Bank interest	21,611	29,028
Interest on loans	30,672	0
<b>Total financial income</b>	<b>901,515</b>	<b>2,461,542</b>
<b>Total</b>	<b>- 836,166</b>	<b>- 511,285</b>

The participation in Hotel Herisau AG had to be depreciated due to new impairments associated with flood risks.

Interest on loans was paid to the Orthotec AG and Swiss Paraplegic Research subsidiaries. Income from participations in 2010 is based on valuation adjustments relating to the SPC and Orthotec AG subsidiaries. In 2009, this figure resulted from the sale of Landhaus Paracelsus AG in Bad Ragaz.

Bank interest expenditure in 2009 included additional costs for the early repayment of fixed advances and mortgage loans (maturing by 2011) of CHF 1.3 million, as well as building loan interest of some CHF 1.5 million.

### 36. Result from real estate held for investment purposes

CHF	2010	2009
Administrative expenses	384,663	351,070
Maintenance expenses	839,964	648,221
Mortgage interest expenses	0	236,538
Impairment of real estate	1,757,853	0
<b>Total expenses</b>	<b>2,982,480</b>	<b>1,235,829</b>
Rental interest income	1,798,034	1,733,148
Increase in value of real estate	590,000	0
<b>Total income</b>	<b>2,388,034</b>	<b>1,733,148</b>
<b>Total</b>	<b>- 594,446</b>	<b>497,319</b>

Mortgages were fully repaid by the end of 2009.  
With an investment value of CHF 39.7 million, a net return of - 1.5% was achieved in 2010 (previous year + 1.6%).  
Impairments or increases in the value of real estate follow the new BDO impairment system as at 31 December 2010.

### 37. Income from restricted funds

CHF	2010	2009
<b>'Dr Albert Rinderknecht Fund'</b>		
- Income	43,107	72,929
- Expense	- 171,640	- 75,750
<b>'Heinrich Bühler Fund'</b>		
- Income	18,448	37,366
- Expense	- 73,455	0
<b>'Heinz and Madeleine Oppenheimer Fund'</b>		
- Income	13,005	8,766
- Withdrawal of fund as per intended purpose	74,997	387,572
- Expense	- 46,509	0
<b>Total income</b>	<b>- 142,047</b>	<b>430,883</b>

Please see notes 11 and 21.

### 38. Allocation to the 'Holistic Rehabilitation' restricted fund

CHF	2010	2009
<b>As at 01.01</b>	<b>24,150,000</b>	<b>10,800,000</b>
Allocation	12,000,000	13,350,000
Withdrawal	0	0
<b>As at 31.12.</b>	<b>36,150,000</b>	<b>24,150,000</b>

The explanations regarding this fund can be found in note 22.

### 39. Cost for the provision of services in accordance with Swiss GAAP ARR 21

CHF	2010	2009
<b>Project expenses</b>		
Support contributions for directly affected paraplegics	6,295,578	4,935,364
hospital costs SPC not covered	3,920,340	2,866,456
non-profit institutions	472,250	794,360
organisations in Medicine	13,620,000	13,680,000
Integration and lifelong assistance	5,494,000	7,150,000
Research	6,218,000	9,690,000
Solidarity (BeA) net	3,000,000	0
Depreciation on operating properties	17,061,179	16,618,730
Other operating expenses	297,205	0
Income relating to different accounting periods	- 811,797	0
<b>Subtotal project expenses</b>	<b>55,566,755</b>	<b>55,734,910</b>
<b>Administrative expenses</b>		
Cost of goods and services	61,862	60,832
Personnel expenses	5,646,925	4,799,821
Operating and maintenance expenses	111,497	122,939
Rent and utilities expenses incl. company buildings	262,144	171,087
Public relations work/fundraising activities	7,849,203	7,468,522
Administrative and IT expenses	2,584,518	3,083,954
<b>Subtotal administrative expenses</b>	<b>16,516,149</b>	<b>15,707,155</b>
<b>Total operating expenses</b>	<b>72,082,904</b>	<b>71,442,065</b>

The consolidated financial statements must be used in order to carry out a full comparison of the consolidated project expenses for all Group companies and affiliated organisations with the administrative expenses of the Foundation and the Benefactors' Association. Please refer to note 46 of the consolidated financial statements. The performance report in accordance with Swiss GAAP ARR 21 is recorded in the key performance indicators (page 2 of this Financial Report) as well as in the separate annual report.

The presentation style from 2009 was adapted to suit the new classification for 2010.



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

## 40. Contingent liabilities

CHF	31.12.10	31.12.09
Guarantees furnished	0	0
Outstanding purchase commitments	1,665,484	41,414
Lease commitments of less than 1 year	0	22,764
Lease commitments of more than 1 year	0	0

The warehouse in Zofingen was discontinued as at 31 December 2010. The outstanding purchase commitments include a service agreement with Consultanex GmbH, Zofingen, in the amount of CHF 1,274,000. The agreement runs until 31 December 2016.

## 41. Rights of lien

As a result of the repayment of bank loans and the refinancing of these loans with blank limits, there were no longer any pledges as at 31 December 2010.

## 42. Operating leases

There are no operating lease agreements in the name of the Swiss Paraplegics Foundation.

## 43. Transactions with affiliated persons

Included under affiliated persons (legal entities and natural persons) are all organisations belonging to the scope of consolidation. ParaHelp, the Swiss Paraplegics Association and the Benefactors' Association of Swiss Paraplegics Foundation are included in the scope of consolidation, and the transactions are treated in the balance sheet and operating/income statement in the same way as Group companies.

Transactions between the Group companies and affiliated organisations are carried out at conditions in line with the market (arm's length principle).

Remuneration to the Board of Trustees, Management Board and affiliated persons is disclosed in the annual report under Corporate Governance.

## 44. Risk assessment

At its meeting on 16 February 2011, the Board of Trustees carried out a further risk assessment. The aim of the risk assessment process is to allow risks to be identified and assessed early and any corresponding measures to be taken. Systematically recorded, analysed and prioritised risks as well as the resultant measures/controls are combined in a risk matrix and assessed annually by the Board of Trustees.

## 45. Subsequent events

Between the balance sheet date and the publication date of these Annual Financial Statements, no further events occurred which might have a considerable impact on the Annual Financial Statements 2010. There are no further circumstances subject to reporting requirements in accordance with article 663b of the Swiss Code of Obligations.

## 46. Approval of the Annual Financial Statements

The Board of Trustees approved these Annual Financial Statements at its meeting on 3 May 2011 and released them for submission to the Swiss Federal Supervisory Authority for Foundations, Berne. The Board of Trustees requests that the Swiss Federal Supervisory Authority for Foundations approve these Annual Financial Statements (separate accounts of the Foundation).

# APPROPRIATION OF AVAILABLE EARNINGS

## Proposal of the Financial Committee of the Board of Trustees to the Board of Trustees of 3 May 2011 concerning the appropriation of available earnings

CHF	31.12.10	31.12.09
Profit/(loss) for the year before allocations	351,618	916,648
Allocation to internally generated unrestricted operating funds	– 351,618	– 916,648
<b>Total profit/(loss) for the year</b>	<b>– 351,618</b>	<b>– 916,648</b>

Resolution of the Board of Trustees of 3 May 2011

The Board of Trustees of the Swiss Paraplegics Foundation approved the aforementioned allocation to the internally generated unrestricted operating funds on 3 May 2011.

On behalf of the Board of Trustees



Dr Daniel Joggi  
Chairman



Dr Joseph Hofstetter  
General Secretary

Nottwil, 3 May 2011

# REPORT OF THE STATUTORY AUDITOR



## Report of the statutory auditor to the Board of the Swiss Paraplegics Foundation

### Report of the statutory auditor on the financial statements

As statutory auditor, we have audited the financial statements of the Swiss Paraplegics Foundation, which comprise the balance sheet, operating/income statement, cash flow statement, statement of changes in equity and notes (pages 34 to 50), for the year ended 31 December 2010. In accordance with Swiss GAAP ARR 21, the information in the performance report (page 2) as well as in the separate annual report) is not required to be subject to audit.

#### Board's responsibility

The Board is responsible for the preparation and fair presentation of the financial statements in accordance with the requirements of Swiss GAAP ARR 21, Swiss law and the foundation's deed and internal regulations. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. The Board is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

#### Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion

In our opinion, the financial statements for the year ended 31 December 2010 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with Swiss GAAP ARR 21 and comply with Swiss law and the foundation's deed.

#### Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 83b paragraph 3 CC in connection with article 728 CO) and that there are no circumstances incompatible with our independence.

In accordance with article 83b paragraph 3 CC in connection with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of financial statements according to the instructions of the Board of Trustees.

We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers AG

A handwritten signature in dark ink, appearing to read 'N. Kühnis'.

Norbert Kühnis  
Audit expert  
Auditor in charge

A handwritten signature in dark ink, appearing to read 'B. Mebold'.

Barbara Mebold  
Audit expert

Lucerne, 3 May 2011



