

CONSOLIDATION & MANAGEMENT METRICS

A CHALLENGE FOR ALL - AN OPPORTUNITY FOR FEW



Financial processes are full of complexity and are constantly changing. With our experience and systems Carey supports you to simplify those processes with modern technology, automation, collaboration and financial intelligence.

CONSOLIDATED ACCOUNTS

Growing a company often involves expanding the business through adding new products, services and technology or buying out the competition to acquire their customers. The first step to consider is therefore related to your strategic vision. You don't know today what might happen to your group tomorrow. A doubling of the scope via the acquisition of a sub-group? A public offering with new shareholders who will demand a fast close? A change in regulation? Or much more precise information required at the consolidation level? These can happen at any time, and it is strategically prudent to be prepared by using suitable consolidated accounts software to deal with new, unexpected and demanding situations.

SPREADSHEET VERSUS SOFTWARE

Do you currently prepare your consolidation on a spreadsheet like most of your competitors? Do you know that around 2/3rds of all financial consolidations worldwide are done on spreadsheets? But when will it become necessary to invest in consolidation software?

With a spreadsheet all calculations, operations and transactions are done manually. Of course, some links and automated processes can be set up. These links and automated processes quickly turn into multiple worksheets, all linked together. Over the years they become an illegible, inflexible and risk-prone document because there are so many links that haven't really been validated and are "touched up" manually. The flexibility of a spreadsheet, which is basically one of its strong points, becomes a risk in consolidation. On top of that a consolidation done with a spreadsheet will take more time, increase your dependency on a few key people and limit your potential growth.

Consolidation processes are full of complexity and are constantly changing. With our experience and systems Carey supports you to simplify those processes with modern technology, automation, collaboration and financial intelligence.

BENEFITS OF SOFTWARE

Without appropriate consolidation software the process of evaluating a company for investment or financing purposes would be a long complex affair that might altogether miss important assets or liabilities. In fact, many of the arguments that occur between company management, accounting and auditing at year end involve how the consolidation of reports should be done in order to give the most accurate picture of the company's financial health. Last, but not least, it's the duty of the directors to guarantee that the consolidated accounts reflect the true condition of the company.

The ultimate benefit of a software solution must be to prepare the consolidated statements in a much shorter period of time under full considerations of all legal and regulatory aspects and the possibility of an integrated management information system (MIS).

At a glance the benefits of a software solution are:

Faster and automated processes / No key person dependency / Integrated MIS / Simplification / Transparency / Possibility of Simulation / Reducing Paperwork / Professional updates on regulatory issues / Efficient monthly and interim Consolidated Financial Statements

MIS

Transparent, informative consolidated figures and a MIS help you with the management of your group. They are also an excellent basis for making strategic decisions in connection with corporate transactions, new funding or succession solutions.

A MIS will spare you from unnecessary and chaotic ad-hoc projects. For example, attempting to implement financial reporting to the required standard under significant time pressure will cause considerable diversion of management resources, often when it is most inconvenient.

THE BUY OPTION

The point of needing to adopt a software consolidation solution is usually reached when a group controls five or more participations or business units.

Arguably the most important question to consider before implementing your own solution is the cost side. You need to take a cold, hard look at the bottom line of your options, so you can fully understand the total cost of ownership. Here is what you need to measure:

- I. **One-time costs** such as software, licensing, implementation with internal and external resources and reporting tool.
- II. **The annual recurring costs** are not only dependent on the capitalisation cost of the investment, available resources or internal knowhow of your group. It is also crucial to integrate the future strategy into this calculation, including consideration of maintenance and scalability. A professional support by a certified IFRS accountant will increase your fixed cost further.

Depending on the complexity of your structure, the data quality and the reporting requirements we estimate that a Small Medium Enterprise (SME) would incur a one-time cost of between CHF 100-250k and an annual recurring cost of between CHF 60-360k. This is a significant amount and a major burden on your cash flow. Is there an alternative? Yes - **THE CAREY OFFERING**

THE CAREY OFFERING

We offer access to a modern system that enables you to enter and to retrieve data at single entity level according to your needs (IFRS, US-GAAP, Swiss GAAP) including for budget and forecast planning. Furthermore, we **provide** you - for free - with our CAREY reporting metrics at local and group level. We also **prepare** Financial Statements **and assist you** in the preparation of consolidated notes. Key factors to consider are the **SETUP STRUCTURE**, the **TEAM** that implements and maintains your structure and the system as well as the overall **COST STRUCTURE**.

SETUP STRUCTURE

Our experienced Consolidation team will define with you the exact scope including the reporting requirement. The Carey offer includes a defined free implementation time and the free usage of the Carey management metrics for local companies and your group.

Benefits:

- Free Implementation of your structure
- Free Access to our Consolidation system
- Free use of Carey reporting metrics (local / group)
- Fast structural changes or simulations
- Reduced HR, audit and consulting costs
- Higher efficiency at local, group and board level
- High reputation for 3rd parties (banks, investors)
- High security

TEAM

An accountant with implementation and supporting skills will be far more effective and accurate and will not require detailed specifications explaining the logic. The Carey Consolidation team is flexible, with a focus on simplicity and efficiency with the financial qualifications you need to complete the consolidation monthly or quarterly.

Benefits:

- Access to qualified specialists
- High efficiency during closing procedure
- More internal time to analyse & control figures
- IFRS support throughout the year
- Audit support / preparation of Fin. Statement
- High Maintenance and scalability

COST STRUCTURE

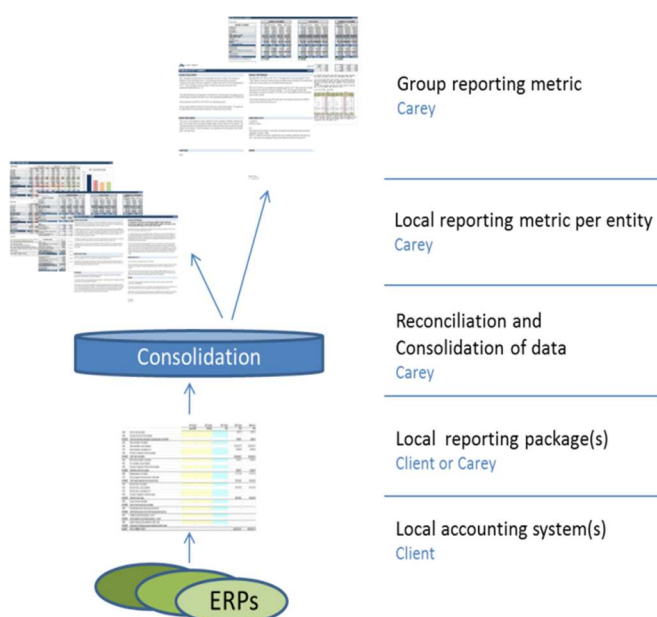
The Carey Offer is structured as a long-term contract (3-5 years) with zero or limited one-time costs and an annual fixed fee. Time charges for the closing process or changes within your structure depend on your reporting requirements.

The overall benefits are:

Significant time and cost savings as well as flexibility to act fast when there are changes in your reporting requirements. The full utilisation of the features and functionality will increase the confidence in your consolidation and management metrics.

THE CAREY STRUCTURE

We use a modern consolidation and reporting system that enables us to enter and to retrieve financial data at a single entity level as necessary. On top we provide you with customised reporting.



MANAGEMENT METRICS

In times of increasing complexity and growing data quantities management information has to be filtered-out from the source data. To be meaningful, metrics must be put to use on this information. If no action is taken or the data is not utilised in any manner then the entire process is a waste.

Our metrics are structured to be used for local and group management as well as for 3rd parties. The content includes the following pages (optional):

Group metric	Local metric
Group CEO report	Local CEO report
PL (m/ytd/RP/BS)	PL (m/ytd/RP/BS)
Participation 1	PL deviation
Participation 2	Revenue overview
Participation 3	OPEX
Participation 4	BS and KPI's

The metrics can be fully customised according your company needs within a short period of time at low cost.

CAREY ZÜRICH

Carey Group Zurich was established in 2003 to offer high quality services to institutional and private clients with both a Swiss and international base. We have a network of offices in key European financial centers offering expertise and assistance on a wide range of cross-border and domestic services. We are a member of the Self-Regulatory Organisation (SRO) for anti-money laundering purposes in Zurich.

Carey AG

Alderstrasse 49

8008 Zürich

T: + 41 (0) 43 499 11 44

www.careygroup.ch

Nicole Flöthe

Group Financial Specialist

T: + 41 (0) 43 499 11 52

M: + 41 (0) 79 936 03 98

E: nicole.floethe@careygroup.ch

Beat H. Haering

Group CFO & CEO Zurich

T: + 41 (0) 43 499 11 44

M: + 41 (0) 79 137 12 75

E: beat.haering@careygroup.ch