2014

The Art of
Investment

ANNUAL REPORT

Cornhill Management, o.c.p., a.s.

CORNHILL
MANAGEMENT

ER AUDIT

Amendment to the Auditor‘s Report on the Verification of Compliance of the Annual Report with the Financial Statements

pursuant to Act No. 540/2007 Coll. Section 23 (5)

To the Shareholders of Cornhill Management, o.c.p., a.s.:

I. We have reviewed the financial statements of Cornhill Management, o.c.p., a.s., registered office: Einsteinova 24, 851 01 Bratislava (hereinafter “the Company”) as at December 31, 2014, given on pages 11-40 of the Company‘s annual report. On June 11, 2015, we issued a report regarding the statements as follows:

Independent Auditor‘s Report

To the Shareholders of Cornhill Management, o.c.p., a.s.:

We have audited the accompanying financial statements of Cornhill Management, o.c.p., a.s., registered office: Einsteinova 24, 851 01 Bratislava (hereinafter “the Company”), which comprise the statement of the Company’s financial position as at 31 December 2014, statement of comprehensive income, statement of changes in equity, and statement of cash flows for the year ending December 31, 2014, and notes, comprising a summary of significant accounting policies and methods and other explanatory information.

Responsibility of the Statutory Body for the Financial Statements
The statutory body is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as the statutory body determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurances that the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence of the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including an assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity’s preparation of the financial statements that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the statutory body, 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 opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Cornhill Management, o.c.p., a.s. as at December 31, 2014, and of its financial performance for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Bratislava, June 11, 2015

Ing. Beata Rusová

E.R. Audit, spol. s r.o.
Gagarinova 7/b, 821 03 Bratislava
Commercial Register of District Court
Bratislava I, section: Sro, file No.: 11217/B
Licence SKAU No. 114

Ing. Beata Rusová
Responsible auditor
Licence SKAU No. 499

II. We have reviewed the compliance of the annual report with the above mentioned financial statements.
The Company's statutory body is responsible for the correctness of the annual report compilation. Our role is to review the compliance of the annual report with the financial statements and subsequently issue the amendment to the Auditor's Report on the compliance of the annual report with the financial statements.

We conducted our review in accordance with International Standards on Auditing. These standards require an auditor to plan and perform the audit to obtain reasonable assurances that the information in the annual report presented in the financial statements are in line with the relevant financial statements in all material respects.

The information given on pages 1-10 of the annual report was evaluated together with the information given in the financial statements as at December 31, 2014. Information other than the accounting information obtained from the financial statements and the books of accounts has not been reviewed. We believe that the review we have carried out is sufficient and appropriate to provide a basis for our opinion.

In our opinion, financial information given in the annual report of Cornhill Management, o.c.p., a.s., complies with the financial statements as at December 31, 2014.

Bratislava, June 19, 2015

Ing. Beata Rusová

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CONTENT

A WORD FROM A MEMBER OF THE BOARD OF DIRECTORS

Jakub Sýkora
Member of the Board of Directors

The results of the financial markets and worldwide economies were various in 2014. For the third consecutive year, global markets have been growing, but emerging markets have been very weak over the past 12 months. The markets were negatively influenced by the falling oil prices in the second half of the year as well as by local conflicts and political disputes.

The goals planned were fulfilled last year. The number of new clients, in particular the regularly investing ones, grew in 2014. At the same time, the cooperation with other pension product administrators increased. The overall sum of assets under management and target sums of regular investments reached almost half a billion euros. Our activities aimed at expanding the provided portfolio of so-called fund platform were successful as well. Besides the acquisitions of new investors we continued in retention activities focused on existing clients, emphasising the active use of our products and services.

The position achieved throughout the past few years and the internal adjustment of Cornhill Management, focused on the best possible adaptation to different developmental phases of the surrounding economic environment, were reflected in finances. In line with the plan, the financial result of 2014 is a moderate profit which is higher in comparison to the previous period.

I would like to thank for cooperation to all who participated in the company results and I wish you many successes in the upcoming years.

Jakub Sýkora
člen predstavenstva

AT A GLANCE

Registered office:	Einsteinova 24 851 01 Bratislava Slovak Republic
ID:	35 771 801
Tax ID:	2020275587
Registered at:	Companies Register District Court Bratislava I., section Sa, insertion 4532/B
Legal status:	Joint Stock Company
Main business activity:	Investment services, investment activities and ancillary services under Act No. 566/2001 Coll. on Securities and Investment Services (The Securities Act) as amended and to the following extent: 1. Receiving and execution of clients' orders related to one or more financial instruments in relation to the following financial instruments: a) transferable securities, b) shares or securities issued by foreign collective investment entities, 2. Execution of orders on behalf of clients in relation to the following financial instruments: a) transferable securities, b) shares or securities issued by foreign collective investment entities, 3. Portfolio management relating to the following financial instruments: a) transferable securities, b) shares or securities issued by foreign collective investment entities, 4. Investment advice in relation to the following financial instruments: a) transferable securities, b) shares or securities issued by foreign collective investment entities, 5. Custody and administration of financial instruments on behalf of the client, including custodianship and related services, mainly administration of cash and financial guarantees in relation to the following financial instruments: a) transferable securities, b) shares or securities issued by foreign collective investment entities, 6. Investment research and financial analysis or other forms of general recommendation relating to transactions involving financial instruments.
Shareholders as of 31 December 2014:	SFM Group International S.A., Grand Duchy of Luxembourg 100 %
Registered Share Capital:	1,494,000 EUR (4,500 pcs of registered shares with a nominal value of 332 EUR)

Contact details:

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This annual report has been prepared in accordance with the Accounting Act No. 431/2002 Coll. as amended.

SENIOR MANAGEMENT AND ORGANISATIONAL STRUCTURE

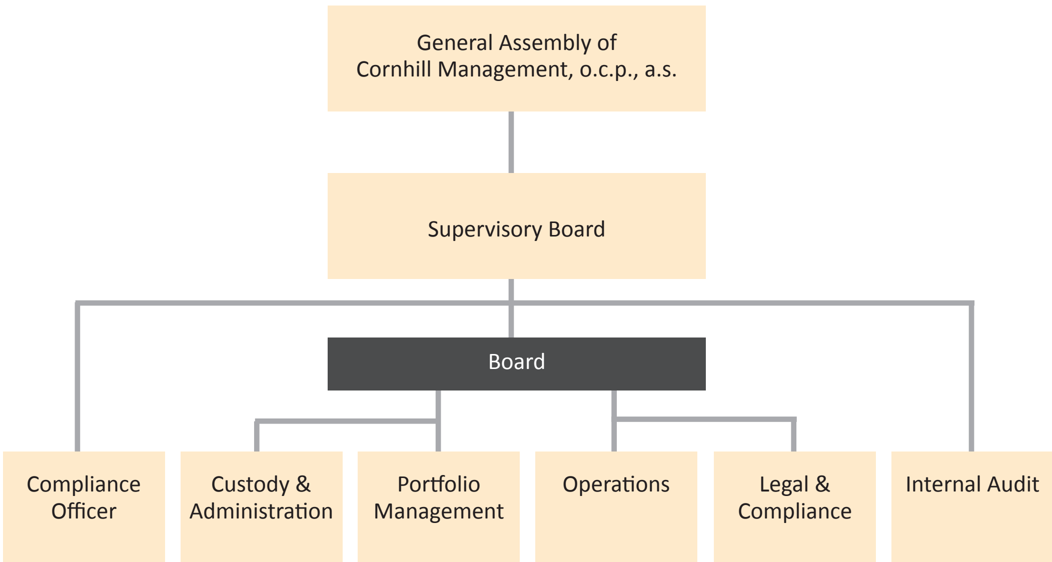
Board of Directors

Jakub Sýkora — Member of the Board of Directors

Supervisory Board

Derek Chambers
Jana Frňková
Daniel Petrakovič

Our company's internal organisational structure is set up in order to comply with all the requirements of our supervisory relevant authorities and legislation, but also to ensure the effective operation of company.



OBJECTIVES FOR 2015

When planning the year 2015, we remain rather conservative, but optimistic at the same time. Despite of some ongoing fears such as low oil prices and China's growth deceleration, there have been enough positive signals suggesting world markets will recover and grow.

In 2015 we expect the overall sum of assets under management and target sums of regular investments to grow. This should be achieved through an increasing number of new clients as well as the regularly investing ones and through the investments from pension products administrators. We would like to expand investment opportunities offered within a so-called fund platform. We want to continue in the activities focused on the active use of our products and services by the existing clients.

The traditional goals in the financial and back-office spheres will include retaining of reasonable administrative costs and modest profit at the end of the year. At the same time we are planning to communicate with financial markets regulation authorities, aiming at engaging more in discussions with the existing and prepared legislative settings.

PRODUCT RANGE

Cornhill Management, o.c.p. a.s.works with various business partners to deliver the following products:

FlexMax Investment Account

The FlexMax Investment Account is a specialised investment product allowing a number of investments within a single investment plan. The product provides access to a wide choice of funds from a range of asset management companies, allowing clients to build up a wide range of investments using a single product.

NEW Lifestyle

NEW Lifestyle is a flexible investment product which allows regular or lump sum investments throughout the investment period into an investment strategy that automatically-adjusts depending on how long the client has been invested and how long they have to go until the end of the investment period. Once the investment period ends, clients may then choose between receiving a lump sum payment or regular payments during the drawdown phase over the life of the programme.

FlexMax Konto

FlexMax Konto is an investment programme providing maximum investment freedom and flexibility to allow Clients to meet their financial targets. The wide range of mutual funds on offer as part of the product allows investors to actively adjust their investment strategies over the life of the programme.

Lifestyle account (Konto života PLUS)

Lifestyle account is a regular investment product offering investors a flexible investment strategy to implement a long-term financial plan which can then be used to create an annuity for retirement or, if the client prefers, the attainment of more short-term financial goals.

LifeFlex

LifeFlex is a regular investment product offering a flexible investment period of between three and ten years. Investors may choose between regular or lump sum investments as well as various investment strategies that correspond to their risk profile.

World Investment Opportunities Funds SICAV

Part of our World Funds products, the World Investment Opportunities Funds (WIOF) are currently registered for public offer in a number of countries across Europe. The WIOF family is composed of 11 sub-funds. The sub-funds are unique in that each individual fund is managed by an investment professional selected becuase of their bery specific and often localised knowledge of a geographic region, ensuring the highest levels of performance while also meeting all risk control criteria.

World Performance Portfolios SICAV

Cornhill's World Performance Portfolios (WPP) product is a Luxembourg based range of sub-funds that invest in equity and bond markets. The funds aim to achieve a level of historic volatility within a pre-determined range for each sub-fund. WPP is available to both retail and institutional investors.

World Strategy Portfolios SICAV

A Cornhill product, World Strategy Portfolios (WSP) is a set of funds of funds aimed at producing long term capital growth. WSP has a set investment return target and aims to meet a specified market volatility range within a pre-determined time period. Investors can select from a range of share classes according to subscription currency and charging structure.

World Shariah Funds

Cornhill's World Shariah Funds (WSF) are a series of sub-funds whose investment processes strictly adhere to Shariah regulations. The sub-funds invest in both selected regional and global markets and investors can choose from six share classes with a range of charging structures and minimum investment levels.

OTHER FACTS

Human Resources

In 2014 the company
- had on average 21 employees,
- had 4 newly recruited employees,
- had 1 employees that left.

In 2015, the average number of employees in the company is expected to be 24.

Employee facts for 2014

- the company employed 38% women and 62% men,
- the average age of company employees was 38 years,
- 78% of employees have a university education

Cornhill's emvironmental footprint

The activity of the company had no negative impact on the environment.

Research and development costs

The company did not invest in research and development in the 2014 financial year.

High level financial results

The economic result of the company for 2014 is profit in the amount of EUR 46,292.

Overview of financial results since 2011:

- 2013: net profit of EUR 32,807
- 2012: loss of EUR 98,892
- 2011: net profit of EUR 245,316

In 2014 the company had the following significant revenues:
- revenues from provision of investment services (portfolio management, custodianship services) EUR 1,572,484
- revenues from services provided within the WPP fund EUR 349,451
- revenues from services provided within the WSP fund EUR 628,556
- revenues from services provided within the WIOF fund EUR 202,846
- revenues from services provided within the WSF fund EUR 97,317

In 2014 the company incurred the following significant costs:
- personnel costs EUR 581,376
- intermediary financial services commissions EUR 865,101
- marketing activities EUR 208,593
- office rental and related services EUR 120,618
- bank commissions EUR 72,208

Equity share of total resources as of December 31, 2014 was 76%.
The Company did not purchase any of its own securities in 2014.
The Company did not open any branchesabroad.

FINANCIAL INDICATORS

1. Liquidity

- Immediate liquidity (recommended value 20 - 90%)

Immediate liquidity informs about how many short-term liabilities a company is able to cover with liquid funds (liquid funds: cash, stamps and vouchers, deposits in financial institutions).

year 2014	year 2013	year 2012
183%	24%	16%

Effective liquidity increased by 159 percentage points in 2014 compared to the previous year.

- Common liquidity (recommended value more than 100%)

Common liquidity helps to assess to what extent are the short-term liabilities covered by liquid funds and receivables. Furthermore, it allows to assess the company's payment readiness.

year 2014	year 2013	year 2012
536%	306%	389%

The company's common liquidity increased by 230 percentage points compared to 2013. The company is able to cover short-term liabilities with liquid funds and short-term receivables.

- Overall liquidity (recommended value 150 - 250%)

Overall liquidity is the ratio of circulating assets to shortterm liabilities. It is sufficient if it is above 150%

year 2014	year 2013	year 2012
536%	306%	389%

The company's overall liquidity grew compared to 2013. The company will cover short-term liabilities with circulating assets.

2. Level (ratio) of self-financing (own equity to total capital ratio) in %

It shows the company's financial independence – ability to cover company's needs with own equity. This indicator should have the value of at least 30%.

year 2014	year 2013	year 2012
76%	62%	70%

The degree of self-financing went up by 14 percentage points in 2014 compared to the previous year.

3. Foreign to own equity ratio

	year 2014	year 2013	year 2012
foreign equity ratio (EUR)	507 063	989 903	661 979
own equity ratio (EUR)	1 649 004	1 602 711	1 569 904
share of foreign and own equity ratio in %	31%	62%	42%

In 2014 the foreign to own equity ratio in the company dropped by 31 percentage point compared to previous year.

4. Level of financial independence (own equity to foreign equity rate) in %

year 2014	year 2013	year 2012
325%	162%	237%

In 2014 the level of financial independence increased, by 163 percentage points compared to previous year.

5. Gross debt in %

If the gross debt exceeds 50%, it means a very high level of debt.

year 2014	year 2013	year 2012
24%	38%	30%

In 2014 the company's gross debt decreased by 14 percentage points compared to 2013.

6. Cost intensity of revenues

year 2014	year 2013	year 2012
0.99	0.99	1.04

There was no change of the cost ratio indicator in 2014 compared to the previous year.

STATEMENT OF FINANCIAL POSITION

TO DECEMBER 31, 2014

(In whole Euros)	Note	31.12.2014	31.12.2013
Assets			
Cash and cash equivalents	3	695 432	203 276
Claims on clients	4	82 372	55 906
Financial assets at fair value are revalued through the income statement	5	623 635	471 282
Intangible assets	6	767	2 986
Tangible fixed assets	7	6 200	19 081
Deferred tax assets	8	78 881	59 227
Other assets	9	668 780	1 780 856
Assets total		**2 156 067**	**2 592 614**
Liabilities			
Provisions	10	108 440	96 776
Income tax		46 808	38 606
Other liabilities	11	351 815	854 521
Liabilities total		**507 063**	**989 903**
Equity			
Share capital		1 494 000	1 494 000
Reserve funds		94 546	91 265
Retained earnings		14 166	
Accumulated loss			(15 361)
Profit/ (loss) for the reporting period		46 292	32 807
Equity total		**1 649 004**	**1 602 711**
Total liabilities and equity together		**2 156 067**	**2 592 614**

Financial statements which include the notes on pages 15 to 40 was signed on April 29, 2015.

Signature of statutory body

Signature of the person responsible for preparation of financial statements

Signature of the person responsible for accounting

STATEMENT OF COMPREHENSIVE RESULT

TO DECEMBER 31, 2014

(In whole Euros)	Note	31.12.2014	31.12.2013
Income from fees and commissions	12	2 679 530	3 899 361
Expenses for fees and commissions	12	(1 109 911)	(2 946 621)
Net fee and commission revenue	***12***	***1 569 619***	***952 740***
Interest income and similiar income	13	11 629	3 032
Interest expense and similiar expense	13	(1 004)	(1 961)
Net interest income	***13***	***10 625***	***1 071***
Net (loss)/profit from financial instruments at fair value, revalued through profit and loss statement	14	12 700	(25 188)
Net (loss)/profit from operations with foreign exchange and assets and liabilities, valued in foreign currency	15	25 438	(11 680)
Net loss/profit from trading		***38 138***	***(36 868)***
Payroll costs	16	(581 376)	(555 820)
Depreciation of tangible and intengible property	16	(18 050)	(25 679)
Other administrative cost	16	(944 077)	(469 142)
Total administrative cost	***16***	***(1 543 503)***	***(1 050 641)***
Other operating costs	***17***	***(25 019)***	***(129 311)***
Other operating income	***17***	***408 874***	***486 076***
Costs for Creation of provisions for other assets		**(345 868)**	**(167 732)**
Profit before tax		**112 866**	**55 335**
Deferred income tax	8	19 654	18 683
Income tax	18	(86 228)	(41 211)
Profit after tax		**46 292**	**32 807**
Other parts of comprehensive result		**-**	**-**
Total comprehensive income for the year		**46 292**	**32 807**

Financial statements which include the notes on pages 15 to 40 was signed on April 29, 2015.

Signature of statutory body

Signature of the person responsible for preparation of financial statements

Signature of the person responsible for accounting

STATEMENT OF CHANGES IN EQUITY

Summary of changes in equity during the accounting period is shown below.

Item	Registered capital EUR	Reserve funds EUR	Funds from valuation EUR	Retained earnings EUR	Total EUR
Closing balance as of December 31, 2012	1 494 000	91 265	-	(15 361)	1 569 904
Profit/ loss in 2013	-	-	-	32 807	32 807
Closing balance as of December 31, 2013	**1 494 000**	**91 265**	**-**	**17 446**	**1 602 711**
Profit in 2014	-	-	-	46 292	46 292
Dividend distribution		3 281		(3 281)	
Closing balance as of December 31, 2014	**1 494 000**	**94 546**	**-**	**60 457**	**1 649 004**

A settlement regarding the use of the Company's profit of EUR 32,807 for 2013 was agreed at a General Assembly held on June 30, 2014 as follows:

- EUR 3,281 to be transferred to the Company's legal reserve fund,
- part of the amount - EUR 15,361 - will be used to cover losses in 2012,
- part of the amount - EUR 14,166 - will remain as undivided profit.

STATEMENT OF CASH FLOWS TO

DECEMBER 31, 2014

	2014	2013
Cash flow from operating activities		
Profi tor loss for accounting period before tax	112 866	55 335
Adjustments by non-monetary operations		
Depreciations	18 050	25 679
Change in reserves	11 664	15 081
Profit/loss from sale of capital assets	-	-
Profit or loss from operations with foreign currency and with assets and liabilities valued in foreign currency	(25 438)	11 680
Revaluation of financial assets in real value revalued through profit and loss account	(12 700)	25 188
Impairment of assets value	345 868	167 732
Interest recorded under expenses	1 004	1 961
Interest recorded under income	(11 629)	(3 032)
Change in receivables against clients	(26 466)	(19 039)
Change in trading securities	(135 182)	2 250
Change in receivables against banks	-	-
Loans provided	-	-
Change in other assets and other tax receivables	791 646	(473 811)
Increase in the balance of liabilities	(491 982)	284 001
Interest paid	(1 004)	(1 961)
Accepted interest	7 158	7
Returned tax/Paid tax	(78 026)	34 419
Net cash flow from operating activities	**505 829**	**125 490**
Cash flow from investment activities		
Purchase of intangible and tangible assets	(2 950)	-
Income from sale of intangible and tangible assets	-	-
Sale of securities for sale	-	-
Net cash flow from investment activities	**(2 950)**	**-**
Cash flow from financial activities		
Instalments for finance lease		
Change in loans	(10 723)	(9 764)
Dividends paid	-	-
Net cash flow from financial activities	**(10 723)**	**(9 764)**
Cash and cash equivalents increase (decrease)	492 156	115 726
Cash and cash equivalent at the beginning of the year	203 276	87 550
Cash and cash equivalent at the end of the year	**695 432**	**203 276**

The notes on pages 15 - 40 are part of the Financial Statements.

FINANCIAL STATEMENTS

1. General information

Cornhill Management, o.c.p., a.s. was established on August 3, 1999 and was registered in to the Commercial Register on 09.03.1999 (Commercial Register of District Court Bratislava in Bratislava I, Section Sa, File No. 4532 / B). Company Identification Number (ID) is 35771801, tax identification number (TIN) is 2020275587.

The main activities of the Company

The main activity is the providing investment services, investment activities and ancillary services according to act no. 566/2001 Law on Securities and Investment Services and on amendments to some laws as amended to the extent:

- receipt and transmission of client orders on one or more financial instruments in relation to financial instruments,
- Execution of orders on behalf of clients in relation to fi nancial instruments,
- portfolio management in relation to financial instruments,
- investment consulting in relation to financial instruments,
- deposit and administration of financial instruments on behalf of clients, including custodianship and related services, especially money management and financial guarantees in relation to financial instruments,
- investment research and financial analysis or other forms of general recommendation relating to transactions with financial instruments.

Legal basis for preparing financial statements

Financial statement of the company to December 31, 2014 is as regular financial statements in accordance with Slovak law, § 17 par. No. 6 of Act No. 431/2002 Accounting Act, for the period from January 1, 2014 to December 31, 2014.

Date of approval of financial statements for the previous reporting period

Financial statement of the company to December 31, 2013, for the previous reporting period, was approved by general Assembly on June 30, 2014.
Members of the statutory and the supervisory authority of the Company

Board of Directors	Supervisory Board
Jakub Sýkora	Jana Frňková
	Daniel Petrakovič
	Derek Chambers

Information about the consolidated entity

The company is not included in the consolidated financial statements of any company.

Structure of owners

The sole shareholder of the company is SFM Group International S.A. with address of the company 20A rue des 3 Cantons, 8354 GARNICH.

The state to 31.12.2014	Share on fixed assets		Voting rights
	in EUR (rounding)	%	%
SFM Group International S.A.	1 494 000	100	100
Total	**1 494 000**	**100**	**100**

2. Accounting principles and methods that were used:

The Financial statements of the Company (“Financial Statements”) for the year ended December 31, 2014 has been prepared in accordance with International Financial Reporting Standards (hereinafter “IFRS”) as adopted by the European Union and the Act No. 431/2002 of Slovak law on accounting as amended.
The Financial statements include at least a one comparable period.

Basis of preparation of financial statements

The Financial statements have been prepared on an accrual basis, it means that effects of transactions and other events in the company has recognized when incurred. Transactions and other events in the financial statements are reported in the period to which it relates, assuming that the Company will continue as a going business

The Financial statements have been prepared under the historical cost valuation, the financial instruments are revalued to real value.

Presentation currency in financial statements is the euro (“€”) and balances are given in whole euros sums.

Significant accounting estimates

The preparation of financial statements in accordance with IFRS requires the establishment of estimates and assumptions that affect the reported amounts of assets and liabilities and for the development of accruals of active and passive losses on the balance sheet date and the reported amounts of revenues and expenses during the accounting period.
Actual results may be different from estimates because of future changes in economic conditions, business strategies, regulatory requirements, accounting rules, or other factors and could cause a change in estimates

Significant areas with requiring of subjective judgment:

- Amounts recognized as reserves are based on management’s judgment and represent the best estimate of expenses required to settle a liability of uncertain timing or amount.

Cash and cash equivalents

Cash and cash equivalents for purposes of drawing up “Statement of cash flows” and “Statement of financial position” include cash and balances on current accounts and other bank accounts with contractual maturity less than three months.

Foreign currency

Company’s functional currency is the euro currency.

Foreign currency transactions are initially recorded in the functional currency, while the foreign currency amount uses the exchange rate announced by the European Central Bank (“ECB”) the day before the transaction between the functional currency and foreign currency.

Transaction date is the date when the transaction first qualifies to be reported in accordance with International Financial Reporting Standards. For practical reasons, often using a rate that approximates the actual rate at the date of the transaction, for example average rate per week or month can be used for all transactions in each foreign currency occurring during the accounting period. However, if the rate fluctuates considerably, the use of the average rate for a period is inappropriate. The Company will use for transaction date, the exchange rate announced by the ECB on the day preceding the transaction.

Foreign exchange differences incurred by revaluations of assets and liabilities in foreign currency are booked as net profit / loss from operations in foreign exchange and assets and liabilities, as valued foreign currency. The company always on the last day of the month converted assets and liabilities denominated in foreign currency to the euro with the exchange rate of the ECB on the day preceding that day or the ECB rate on the last day of each month and the date on which financial statements are compiling.

Financial assets

The company is recognizing trading securities as a financial assets at fair value , revalued through profit and loss statement. Trading is generally reflecting as a active and frequent buying and selling, and financial instruments held for trading are generally used to generate profit from short-term changes in price or dealer’s margin.
Trading securities are the securities held to generate profit from short-term changes in price. By valuing is the difference in correlation of values booked through profit or loss on account of the net loss / profit from financial instruments at fair value revalued through profit and loss statement.
The date of the transaction is the date of settlement (settlement date).
The settlement date is the date on which the asset is delivering to an entity or asset which is supplied by the

entity. Settlement date accounting means:

- Recognition as an asset on the date of its receipt by the entity and
- Derecognizing of assets and recognition of any profits or loss on disposal on the date of an entity and its delivery. Company accounts any change in the fair value of assets to be taken in the period from the date of the trade settlement date in the same manner as accounts for asset acquisition. For assets classified as financial assets at fair value through profit and loss statement, the change in value recognized in profit, and with respect to assets classified as available for sale, the change is recognized in equity.

Securities are primarily accounted in the valuation of its real value. If there is difference between the price at which to procure the securities held for trading and its fair value, the difference is income or expense to be charged to the account Net loss / profit from financial instruments in fair value revalued through profit and loss statement.
From the date of acquisition debt security is added to the interest income account. Accretions of interest are accounted using the effective interest rate.

On the day of the revaluation of the security it is written down or charged in a securities account in the corresponding entry to or from the account Net loss / profit from financial instruments in fair value revalued through profit or loss statement for trading securities and credit or debit to account “Funds from the award “ in the case of securities for sale. Evaluation has no effect on interest income, which is attributed to a particular security.

Valuation of financial instruments

The company determines fair value using the following hierarchy of methods that determine the rules for awards:

- Stage 1: The market price in active markets for identical instrument.
- Stage 2: Valuation techniques based on observable inputs directly (e.g. prices) or indirectly (for example, directly derived from prices). This method involves the use of instruments at the following information: the quoted price in active markets for similar instruments or other valuation techniques where all significant inputs are observable directly or indirectly from market data.
- Stage 3: valuation techniques using significant unobservable inputs.

Reported amounts of financial instruments in fair value analyzed by the above methods of valuation:

to December, 31 2014

Financial instruments		**Stage 1**	**Stage 2**	**Stage 3**
Financial assets remeasured at fair value through profit and loss statement	6	-	495 695	-
Total			**495 695**	

to December, 31 2013

Financial instruments		**Stage 1**	**Stage 2**	**Stage 3**
Financial assets remeasured at fair value through profit and loss statement	6	-	471 282	-
Total			**471 282**	

Reserves

Reserve is a liability of uncertain timing or amount.

Obligating event is an event that creates a legal or constructive obligation that leads to the fact that the company has no realistic alternative but to settle a given obligation.

The legal obligation is an obligation that derives from:
- Contract (through its explicit or implicit terms);
- Legislation terms or
- Other legal acts.

Non-contractual obligation is an obligation that derives from the activities of the Company if:

- established patterns of behavior from past practice, published procedures or sufficiently specific current statement of the company indicated to the other parties to accept certain liabilities
- consequently the company created a valid expectation on the part of other parties to fulfill this responsibility.

Reserves and other liabilities

Reserves can be differentiated from other liabilities such as current trade liabilities and future expenses because there is uncertainty about the period or amount of future expenses required in settlement.

Reserve is reported when:

- the company has a present obligation (legal or constructive) as a result of a past event,
- It is probable that the settlement of the obligation will be required to outflow of resources embodying economic benefits and
- It is possible to make a reliable estimate of the liability.

If these conditions are not met, no reserve is reported.

The best estimate

- The amount reported as a reserve is the best estimate of expense required to settle the present obligation at the date of the financial statements.
- The best estimate of expense required to settle the present obligation is the amount paid by the company to settle a logical obligation on the date of the financial statements or to its transfer to the third part at that time. There will be often impossible or prohibitively expensive to settle or transfer an obligation at the date of the financial statements. However, the estimated amount that the company would logically pay to settle or transfer the obligation, to provide the best estimate of the expenses required to settle the present obligation at the date of the financial statements.
- Estimates of results and financial impacts are determined by the judgment of management accounting unit, supplemented by experiences from similar transactions and, in some cases, reports from independent experts. Under consideration contains evidence of any additional evidence provided by events after the balance sheet date. Uncertainty surrounding the amount uses to be recognized as a reserve shall be settled in different ways according to circumstances. When the reserve, which is valued, contains a wide set of items, the obligation is estimated by considering all possible outcomes by their associated probabilities. The name of this statistical method of estimation is “expected value”. Reserve will therefore be different depending on whether the probability of loss from the amount is 60 percent or 90 percent. If there is a continuous range of possible results and each point of this range is as likely as any other, the mid-point range will be used.

The impairment of property

Identification of impaired assets

The company has each date on which the financial statements are prepared and the last day of each quarter to determine whether there is an indication that an asset may be impaired. If there is any indication, the company estimates the recoverable amount of such assets. The recoverable amount of an asset or cash generating unit is the higher one of these two values:

- Fair value of assets minus cost of sales
- The value of used assets.

Fair value minus cost of sales - is the amount obtainable from the sale of an asset or cash generating unit in transaction under the usual conditions, between knowledgeable, willing parties minus cost from the sale. Cost of sales are costs directly related to the sale of assets, excluding finance costs and tax costs.

Value of used asset- is the present value of future cash flows expected to be derived from an asset or cash generating unit.
The determination of recoverable amount - for a given asset is always necessary to determine the real value of the asset minus costs to sell and value in use. If one of these values is higher than accounting value, the asset is impaired and it is not necessary to determine a second value.

Fair value minus costs to sell

The best evidence of fair value of property minus costs to sell is the price in a binding sales contract at independent transaction, adjusted for the additional costs that would be directly attributable to the disposal of property. If there is no binding sale agreement but the property is traded in an active market, fair value of property minus costs to sell is the market value of property minus cost of disposal. The appropriate market price is usually the current price of the tender. If you are not currently available to determine the offer prices, the fair value of property minus costs to sell can be estimated based on the final price of the provided transaction and there is no significant change in economic circumstances between the transaction date and the date the estimate is made.

External indicators of impairment

- The market value of property during the period was significantly lowered more than would be expected due to the time or normal usage ,
- Significant changes in technology, market, economic or legal environment in which the company operates or in the market for which the property is determined to have occurred within a period or become in the near future, with a negative impact on businesses
- Increase in market interest rates or rates of return on investment and it is likely that this increase will affect the discount rate used in calculating the value of property used and significantly reduce its recoverable value.

Internal indicators of impairment

- Accounting net value of property is higher than its market capitalization,
- Evidence of obsolescence or physical deterioration,
- Significant changes with negative impact on businesses that have occurred over a period or will occur in the near future in scope and intended use of property that is or will be determined. These changes include plans for cancellation or restructuring of operations to which the property belongs or unplanned disposal of property
- Evidence from internal reporting that indicates that the economic performance of property is or will be lower than expected.

Tangible and intangible property

Purchase price of property, plant and equipment are recognized as assets only if:

- It is likely that the accounting entity will have from the item future economic benefits, and
- Cost of the item can be measured reliably.

Components of purchase price

Purchase price of property, plant and equipment includes:

- The purchase price, including import duties and non-reimbursable taxes, after deducting trade discounts and rebates,
- All directly attributable costs in connection with the transportation of property to a destination and in a state in which it is capable of operation, by method determinate by management,
- Initial estimate of the cost of dismantling and removing the item and to rebuilt the place of its location to its original state, which is an obligation for entity starting either by the acquisition of items of property or as a result of its use during a particular period for other purposes than to produce inventories during this period.

Depreciable of value of property is systematically scheduled for the whole circle of its working life.

The residual value and useful life of the of property should be reviewed at least at the end of each financial year and if the expected values differ from previous estimates, the amount is accounted to accounting estimate in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and errors.

Depreciation is recognized even if the fair value of the property exceeds its accounts value but only if its residual value does not exceed its book value. Repairs and maintenance do not exclude the need to depreciate the property. Depreciable asset value is determined after deduction of its residual value. In practice, the residual value of assets is often insignificant and therefore not relevant in calculating the depreciable value.

The residual value of property may be increased to an amount equal to its accounting value or higher. In this case, the depreciation expense of assets is zero except in case until its residual value subsequently reduced to an amount less than the book value of assets.

Depreciation of assets begins when it is available for use meaning when it is in destination place and in the state in which it is capable of operating in a manner determined by management. Depreciation of property shall be terminated either on the date when the asset is classified as available for sale (or included in a group that is classified as available for sale) in accordance with IFRS 5, or the date on which the reporting of assets is completed, according to of which one comes first. Therefore, there is a situation that interrupts the use of property or to terminate the active use, depreciation of assets is not completed, unless the asset is fully depreciated. When using power methods of depreciation, the depreciation expense may be zero, if the assets are not used in production. Future economic benefits included in property are consumed mainly through its use. Other factors, such as technical or commercial obsolescence and physical use during the period when the property is not used, but often has result in a decrease of economic benefits that could be obtained from the property. Following to this by determining the useful life of assets is necessary to consider all these factors:

- The expected use of the property. This use is assessed with regard to the expected capacity or physical output of the property
- The expected physical usage which depends on operational factors such as number of shifts, during which the asset is in use and schedule of repairs and maintenance, as well as the level of maintenance and care of the property when not in use
- Technical or commercial obsolescence arising from changes or improvements in production or from changes in market demand for the product or service representing the outputs of property
- Legal or similar limits on the use of assets, such as the date for the completion of related leases.

The useful life of property is determined according to the expected utilization of property for the company. The principles of asset management of Company may involve its disposal after a specified time or after consumption of future economic benefits included in the property. The useful life of the property may therefore be shorter than its economic life. Estimated useful lives of property are a matter of judgment based on experience of the accounting entity with similar property.

Amortization of intangible property is based on the expected period of use and expected physical usage. Depreciation starts in the month, when the inclusion of intangible property in use, thus it becomes property ready for its intended use. An intangible property is considered property valued at more than 2 400 EUR a useful life is longer than one year, as well as intangible property also include assets valued at less than 2 400 EUR and more than 450 EUR and useful life is longer than one year. The property where value is less than 450 EUR and useful life is shorter than one year is accounted only once as a cost. Estimated useful life, depreciation method and depreciation rate are shown below:

	Expected period of use in years	Depreciation method	Annual depreciation rate in %
Software	2; 5	linear	50; 20

Depreciations of tangible property are based on the expected period of use and expected useful life. Depreciation starts in the month, when the inclusion of tangible assets in use, thus it becomes property ready for its intended use. Tangible property is assets with an acquisition cost greater than 1 700 EUR and operational - technical time of use is longer than one year, as well as tangible property also include property valued less than 1 700 EUR and more than 450 EUR and useful life is longer than one year. The property where value is less than 450 EUR and useful life is shorter than one year is accounted only once to the cost.

Estimated useful life, depreciation method and depreciation rate are shown below:

	Expected period of use in years	Depreciation method	Annual depreciation rate in %
Technical assessment of leased property	5	linear	20
Machinery and equipment	2; 4	linear	50; 25
Transport Equipment	3; 4	linear	33,3; 25
Inventory	4; 6	linear	25; 16,7

Lease

Lease is classified as finance lease when all risks and rewards connected to ownership are being transferred. Lease is classified as operating lease, if it shall not be transferred substantially all risks and rewards connected to ownership. Because the transaction between the lessor and the lessee is based on a leasing contract between them, it is appropriate to use consistent definitions. Using these definitions to the differing circumstances of the lessor and lessee may result in the same lease, each of which is classified differently. This can happen for example if the lessor benefits from a residual value guaranteed by a person who is unrelated to the lessee.

Whether the lease is a finance lease or an operating lease depends on the nature of the transaction not on the form of contract. Examples of situations that could, individually or in combination normally lead to classification of leases as finance leases are:

- ownership of property at the end of leasing is transferred to the lessee,
- The tenant has an option to purchase the property at a price which is expected to be significantly lower than real value at the date the option becomes applicable, so that at the beginning of the lease it is reasonably certain that the option is applicable,
- Lease term is the substantial part of the economic life of the asset even if ownership is not transferred,
- At the beginning of leasing the present value is of minimum lease payments at least equals basically the entire real value of the leased asset
- Rented property has such a specific nature, that without major modifications it can only be used by the lessee.

Finance lease

At the beginning of the leasing period the company reports finance leases as assets and liabilities on their balance sheets at amounts set at at the beginning of the lease that equal the real value of the leased asset or, if lower, the present value of minimum lease payments. Discount rate used to calculate the present value of minimum lease payments, is the implicit interest rate of leasing, if it can be determined, and if not, then the interest rate of loans to the lessee. Any initial direct costs of the lessee are added to the amount recognized as an asset.

Transactions and other events are booked and presented in accordance with their substance and financial reality and not only on legal form. Even when the legal form of leasing agreements is so that the lessee can not obtain legal right to the leased property, in case of finance leases are the nature and financial reality such that the lessee acquires the economic benefits from the use of the leased asset during a substantial part of its economic life in exchange for taking the obligation to pay for the right an amount at the at the beginning of the lease, which is close to real value of financial assets and related fees.

Company finance leases are reported in the statement of financial position as well as property and liability to pay future lease payments. At the beginning of lease term, the assets and liabilities of future lease payments are recorded in the balance in equal amounts except of initial direct costs of the lessee that are added to the amount recognized as an asset.

Initial direct costs are often created in connection with specific leasing activities, such as negotiating and securing leasing arrangements. The costs identified as directly attributable to costs of activities undertaken by the lessee for financial leasing are added to the amount recognized as an asset.

Deferred tax

Deferred tax assets are the amounts of income taxes refundable in future periods in connection with:

- Deductible temporary differences (temporary differences)
- Unused tax losses transferred from previous years and
- Unused tax relief transferred from previous years.

Temporary differences are differences between the accounting value of an asset or liability in the balance sheet and their tax base. Temporary differences may be either:

- Taxable temporary differences, they are also temporary differences that will result in taxable amounts in determining taxable profit (tax loss) in future periods when the book value of an asset or liability is recovered back or settled across, or
- Deductible temporary differences, they are also temporary differences that will result in amounts that are deductible in determining taxable profit (tax loss) in future periods when the carrying amount of an asset or liability is recovered back or settled across.

For reporting of an asset it is important, that their accounting value is paid in the form of economic benefits that will flow in the future periods back to company. If the assets exceed the tax basis, the value of taxable economic benefits will exceed the amount to be recognized as a deductible for tax purposes. This difference is a taxable temporary difference and to pay the final income taxes from future periods is a deferred tax liability. When the company recovers back the accounting value of the asset, the taxable temporary difference is canceled and the accounting entity will have taxable profit. As a result, it is probable that economic benefits will be pumped out of the company by means of tax payments.

Some temporary differences arise when income or expense are included in accounting profit in one period, but included in taxable income in another period. Such temporary differences are often described as timing differences. The following are examples of temporary differences of this kind which are taxable temporary differences, and therefore create deferred tax liabilities.

-Depreciation used in determining taxable profit (tax loss) may differ from those used in determining accounting profit. A temporary difference is the difference between the book value of assets and its tax base, which equals the original cost of assets lowered of deductions in respect of the asset recognized by tax authorities in determining taxable profit for the current period and previous periods. Taxable temporary difference arises, and creates deferred tax liability, when tax depreciation is accelerated (if tax depreciation is slower than the accounting, there is a deductible temporary difference and creates a deferred tax asset).

Cost, revenues and accruals

Costs and revenues are always charged in the period to which they relate. Correction of significant errors of the previous accounting period are always charged to retained earnings from previous years or retained loss from previous years.
The criteria for charging of accrual cases is that we know their factual content, the amount and period to which they relate. The accounting unit follows the accrual expenses and revenues on a monthly basis.

Property of clients

Clients' property and liabilities of entrusted client property, is accounted as property of clients who have entrusted securities to trader in terms of providing of investment services or the securities trader acquired under the provision of investment services to clients and commitment to return the property.

Assets in the portfolio, submitted for management, are valued on the last day of the month.

Off-balance sheet evidence

The entity recognizes as an off-balance sheet accounts:

- Debts and liabilities of the liens, security and other transfers of rights, security - property taken as security and property given as security and commitment from all kinds of material security. Security objects are recognized at fair value,
- Clients' assets and liabilities of their clients entrusted property – Values taken into custody, administration, to save, and treated within the portfolio management download on the values assigned for the purpose of acquisition of the purchase or sale of securities for client accounts here of the benefits for client in providing investment services (e.g. collection of managed stock dividends) and values acquired for a client charged here with the market conducted on account of client
- Claims that were written off.

New standards and interpretations applied in this

The Company implemented all new and revised standards and interpretations issued by International Accounting Standards Board - IASB) and International Financial Reporting Interpretations Committee - IFRIC) at JASB related to its activities, which were approved by the EU with the effectiveness for the accounting periods commencing on January 1, 2013.

- IFRS 10 "Consolidated Financial Statements" (effective for the accounting period commencing on January 1, 2014 and later)
- IFRS 11 "Joint Arrangements" (effective for the accounting period commencing on January 1, 2014 and later)
- IFRS 12 "Disclosure of Interests in Other Entities" (effective for the accounting period commencing on January 1, 2014 and later)
- IAS 27 (revised in 2011, amendments) "Separate Financial Statements" (effective for the accounting period commencing on January 1, 2014 and later)
- IAS 28 (revised in 2011) "Investments in Associates and Joint Ventures" (effective for the accounting period commencing on January 1, 2014 and later)

- Amendments to IFRS 10 “Consolidated Financial Statements, IFRS 11 “Joint Arrangements” and IFRS 12 “Disclosure of Interests in other Entities” - transition guidance (effective for the accounting period commencing on January 1, 2014 and later)
- Amendments to IAS 32 “Financial Instruments: Presentation” (effective for the accounting period commencing on January 1, 2014 and later)
- Amendments to IAS 36 “Impairment of Assets” (effective for the accounting period commencing on January 1, 2014 and later)
- Amendments to IAS 39 “Financial Instruments: Recognition and Measurement” (effective for the accounting period commencing on January 1, 2014 and later).

The adoption of these amendments to the existing standards did not result in any changes to accounting principles of the Company.

New standards and interpretations not yet effective and applied

The following standards and interpretations or amendments to the existing standards and interpretations were issued as of the date of the compilation of these financial statements and are effective for the yearly accounting period commencing on January 1, 2014 or later:

- Amendments to different standards - annual improvement of IFRS concerning IFRS1, IFRS 3, IFRS 13 and IAS 40) (effective for the accounting period commencing on January 1, 2015 and later).
- IFRC 21 “Deductions” (effective for the accounting period commencing on June 17, 2014 and later)
- IFRS 9 “Financial Instruments” and the following amendments (effective for the accounting period commencing on January 1, 2018 and later),
- IFRS 14 “Regulatory Deferral Accounts” (effective for the accounting period commencing on January 1, 2016 and later),
- IFRS 15 “Revenues from Contracts with Customers” (effective for the accounting period commencing on January 1, 2017 and later),
- Amendments to IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” - Sale or contribution of assets between the investor and their associate or a joint venture (effective for the accounting period commencing on January 1, 2016 and later),
- Amendments to IFRS 10 “Consolidated Financial Statements”, FRS 12 “Disclosures of Shares in other Accounting Entities” and IAS 28 “Investments in Associates and Joint Ventures” - Investment entities: Applying the Consolidation Exception (effective for the accounting period commencing on January 1, 2016 and later),
- Amendments to IFRS 11 “Joint Arrangements” - Accounting for Acquisitions of Interests in Joint Operations (effective for the accounting period commencing on January 1, 2016 and later),
- Amendments to IAS 1 “Presentation of Financial Statements” - Initiative to explore how disclosures can be improved (effective for the accounting period commencing on January 1, 2016 and later),
- Amendments to IAS 16 “Property, Plant and Equipment” and IAS 38 “Intangible Assets” - Clarification of Acceptable Methods of Depreciation and Amortisation (effective for the accounting period commencing on January 1, 2016 and later),
- Amendments to IAS 16 “Property, Plant and Equipment” and IAS 41 “Agriculture” - Agriculture: Bearer Plants (effective for the accounting period commencing on January 1, 2016 and later),
- Amendments of IAS 19 “Employee Benefits” - Defined Benefit Plans: Employee Contributions (effective for the accounting period commencing on July 1, 2014 and later),
- Amendments of IAS 27 “Separate Financial Statements” - Equity Method in Separate Financial Statements (effective for the accounting period commencing on January 1, 2016 and later),
- Amendments to different standards “IFRS Quality Improvement Project” (cycle of 2010-2012)” related to the annual IFRS (IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38) improvement project, primarily aimed at removing inconsistencies and clarifying wording (the amendments will concern the accounting period commencing on July 1, 2014 and later),
- Amendments to different standards “IFRS Quality Improvement Project” (2012-2014 cycle)” related to the annual IFRS (IFRS 5, IFRS 7, IAS 19 and IAS 34) improvement project, primarily aimed at removing inconsistencies and clarifying wording (the amendments will concern the accounting period commencing on January 1, 2016 and later).

The Company decided not to adopt these standards, revised versions and interpretations prior to the date of their effectiveness. The Company does not expect the adoption of these standards, revised versions and interpretations to have a significant impact on its financial statements in the period immediately after their adoption, except for IFRS 15 “Revenues from Contracts with Customers”. The Company is currently assessing its possible impact and is not able to assess whether its application would cause significant changes in reporting as of the date of the compilation of these financial statements.

3. Cash and cash equivalents

Cash and cash equivalents	31. 12. 2014	31. 12. 2013
Cash in the Treasury	11,720	7,084
Current accounts in banks (with payment period to 3 months)	683,712	196,192
Together	**695,432**	**203,276**

Cash and cash equivalents are reported as petty cash, valuables and bank accounts with agreed payment period up to 3 months, which the dealer uses for manages cash flow.

4. Claims to clients

Claims to clients	31. 12. 2014	31. 12. 2013
Claims to clients - Slovak republic	13,559	19,296
Claims to clients - Czech republic	27,007	24,507
Claims to clients - Great Britain	41,701	12,008
Claims to clients - Poland	105	95
Total	**82,372**	**55,906**

Claims clients are charges for services provided to investment such as portfolio management of clients for products Konto života PLUS/ Lifestyle account, Konto života, LifeFlex and FlexMax

5. Financial assets remeasured at fair value through profit and loss statement

Trading securities	ISIN	31.12.2014	31.12.2013
Bill of Advisor Services International, s.a.r.l.			197,780
GFG FX Algorithmic Fund	GG00BQRRWB08	331,987	
Central & Eastern Europe Real Estate Fund	MT0000076423	229,105	220,459
WSF Global Equity Fund - USD Class I	GG00B4Q85X38	59,790	50,458
WSP Global Strategy Alpha Portfolio B GBP	LU0836480318	1,211	1,141
WSP Global Strategy Alpha Portfolio A USD	LU0858365520	727	727
WSP Global Strategy Alpha Portfolio B USD	LU0836480409	761	717
Total		**623,635**	**471,282**

Central & Eastern Europe Real Estate Fund

Indirect investments in real estate through real estate listed and unlisted funds, which invest mainly in Central and Eastern European securities and securities related to Central and Eastern European real estate.

WIOF Emerging Europe Performance Fund - Class I

The focus of investments in equities and equity related securities of companies that are located or exposed growth in Central and Eastern Europe that joined the EU or they are expected to join in the near future. Sub-Fund may invest in warrants and certificates in any currency issued by companies located in Central and Eastern Europe.

WSF Global Equity Fund - USD Class I

Worldwide investments to actively managed porŋolios in accordance with traditional Islamic Shariah law, which may be present in any legal jurisdiction or in the economic sectors and they are listed on a recognized stock exchange.

WSF Asian Pacific Fund - USD Class I

Investing in stocks in developed and developing markets in Asia-Pacific region including Japan, which is consistent with the investment rules of traditional Islamic law, Shariah.

6. Non-current intangible assets

The movements of intangible property from 1.1.2013 to 31.12.2013

Type		Purchase price	Adjustments and impairment	Net book value
Intangible property	**1.1.2013**	**31,094**	**21,590**	**9,504**
	+ increase	**-**	**6,518**	
	- decrease			
	+/- transfer	**-**		
	31.12.2013	**31 094**	**28,108**	**2,986**
Software and other intangible property	1.1.2013	31,094	21,590	9,504
	+ increase	-	6,518	
	- decrease	-	-	
	+/- transfer	-	-	
	31.12.2013	31 094	28,108	2,986

The movements of intangible property from 1.1.2014 to 31.12.2014

Type		Purchase price	Adjustments and impairment	Net book value
Intangible property	**1.1.2014**	**31,094**	**28,108**	**2,986**
	+ increase	**2,950**	**5,169**	
	- decrease			
	+/- transfer	**-**		
	31.12.2014	34,044	**33,277**	**767**
Software and other intangible property	1.1.2014	31,094	28,108	2,986
	+ increase	2,950	5,169	
	- decrease	-	-	
	+/- transfer	-	-	
	31.12.2014	34,044	33,277	767

7. Non-current tangible assets

Movements of fixed assets from 1.1.2013 to 31.12.2013:

Type		Purchase price	Adjustments	Residual value
Non-current tangible assets	**1.1.2013**	**188,075**	**149,833**	**38,242**
	+ increase	**-**	**19,161**	
	- decrease	**-**	**-**	
	+/- transfer	**-**	**-**	
	31.12.2013	**188,075**	**168,994**	**19,081**
Machines and equipment	1.1.2013	67,189	55,370	11,819
	+increase	-	7,084	
	- decrease	-	-	
	+/- transfer	-	-	
	31.12.2013	67,189	62,454	4,735
Vehicles	1.1.2013	61,242	39,286	21,956
	+ increase	-	9,084	
	- decrease	-	-	
	+/- transfer	-	-	
	31.12.2013	61,242	48,371	12,871
Inventory	1.1.2013	39, 296	36,770	2,526
	+ increase	-	1,051	
	- decrease	-	-	
	+/- transfer	-	-	
	31.12.2013	39,296	37,821	1,475
Other fixed assets	1.1.2013	20,348	18,407	1,941
	+ increase	-	1,941	
	- decrease	-	-	
	+/- transfer	-	-	
	31.12.2013	20,348	20,348	-

Movements of fixed assets from 1.1.2014 to 31.12.2014:

Type		Purchase price	Adjustments	Residual value
Non-current tangible assets	**1.1.2014**	**188,075**	**168,994**	**19,081**
	+ increase	**-**	**12,881**	
	- decrease	**-**	**-**	
	+/- transfer	**-**	**-**	
	31.12.2014	**188,075**	**181,875**	**6,200**
Machines and equipment	1.1.2014	67,189	62,454	4,735
	+increase	-	3,112	
	- decrease	-	-	
	+/- transfer	-	-	
	31.12.2014	67,189	65,566	1,623
Vehicles	1.1.2014	61,242	48,371	12,871
	+ increase	-	9,085	
	- decrease	-	-	
	+/- transfer	-	-	
	31.12.2014	61,242	57,456	3,786
Inventory	1.1.2014	39,296	37,821	1,475
	+ increase	-	684	
	- decrease	-	-	
	+/- transfer	-	-	
	31.12.2014	39,296	38,505	791
Other fixed assets	1.1.2014	20,348	20,348	-
	+ increase	-	-	
	- decrease	-	-	
	+/- transfer	-	-	
	31.12.2014	20,348	20,348	-

There wasn’t any adjustment/correction made about tangible or intangible assets

The company owns 2 personal vehicles in the acquisition value of EUR 36,339 (remaining value as of December 31, 2014 is EUR 3,785) which are in the possession of the finance company based on the contract on the security transfer of ownership right.

The non-fixed assets of the company are insured with the insurance company Union poisťovňa, a.s. for the sum insured of EUR 132,800 and there is a separate insurance for cars for which the ownership is transferred on the finance company based on the contract on the security transfer of ownership right.

8. Deferred tax liability

The calculation of deferred tax has been made with the tax rate applicable for 2014 which is 22%.

The calculation of deferred tax assets is shown in the table below:

Deferred Tax	31.12.2014	31.12.2013
emporary differences between the accounting value of assets and liabilities and their tax base		
– deductible (tangible fixed assets)	11,555	11,859
– deductible (reserve for clients bonuses)	108,440	96,776
– deductible (provisions not included into the tax base)	191,844	160,579
– deductible (liabilities after payment period)	46,712	
Temporary differences together	**358,551**	**269,214**
Income tax (in %) for the year 2014	22%	22%
Deferred tax receivable in 22%	78,881	59,227

Clients' bonuses

Clients using the product LifeFlex have under certain terms and conditions of the agreed period of saving a right for bonus. The company creates for this bonus financial reserves in full amount, decreased of discount rate.

Change in deferred tax asset is included in the table belo

Change in deferred tax assets	in Euro
Value to 31.12.2014	78,881
Value to 31.12.2013	59,227
Change	**19, 654**

9. Other assets

Other assets	31.12.2014	31.12.2013
Various debtors	1,069,625	1,996,691
Provided loans	164,200	
Deterred expanses	35,203	31,701
Long term advance payments	33,294	33,294
Short term advance payments	125	201
Deferred income	1,485	3,321
Value Added Tax		4,872
Resources	163	157
Other assets before adjustments	**1,304,035**	**2,070,246**
Decreased value of assets (provisions)	635,255	289,387
Other assets together	**668,780**	**1,780,856**

Other debtors, here company records short-term claims from business activity, investment brokering services and other services.

The age structure of various debtors to December 31, 2014 is given in the table below:

Different debtors						
within payment period	after payment period					
	to 30 days	from 31 to 90	from 91 to 180 days	from 181 to 360 days	over 360 days	Together
120,467	5,336	111,981	118,910	190,150	522,781	1,069,625

Information about costs for future periods can be found in this chart:

Costs for future periods	31. 12. 2014	31. 12. 2013
Deferred expanses - Rent	28,826	28,135
Insurance	2,189	2,236
Software updates	1,511	136
Other	2,677	1,194
Together	**35,203**	**31,701**

Long term advance payments are rent payments paid in advance.

For the above claims there has not been created any security.

The company has no interest in assets after payment.

Creation of adjusting (corrected) entries

Throughout the year ending December 31, 2014 company has created adjusted (corrected) entries in the sum of EUR 635,255 (2013: EUR 191,844) A provision was created on the receivables against various debtors. Identified impairment was on the receivables against debtors which were overdue for more than 365 days.

10. Provisions

Provisions	to 31. 12.2013	Creation	Usage	Cancelation	to 31.12.2014
Long-term provisions due over 5 years					
Provisions for clients´benefits	96,776	11,664	-	-	108,440
Total long-term provisions	**96,776**	**11,664**	**-**	**108,440**	**108,440**
Short-term provisions due over 1 year					
Total short-term provisions	**-**	**-**	**-**	**-**	**-**
Together previsions	**96,776**	**11,664**	**-**	**-**	**108,440**

Financial reserve is created against the account of liability, to which it is an estimate and corresponds to cost account to which the liability would be booked. Clients using the product LifeFlex have under certain terms and conditions of the agreed period of saving a right for bonus. The company creates for this bonus financial reserves in full amount, decreased of discount rate.

11. Other liabilities

Other liabilities	31.12.2014	31.12.2013
Various creditors	231,026	719,725
Liabilities from provided loans (car loans)	4,773	15,496
Liabilities to employees	27,804	24,827
Liabilities against Social insurance company and health insurance companies	17,368	15,323
Costs for future periods	17,404	46,686
Social fund	931	348
Tax obligation on value added tax	16,053	-
Tax from dependent activities	4,962	4,198
Other taxes and fees	508	508
Vacation pay including social security	27,376	24,090
Audit	3,300	3,150
Others	310	170
Other liabilities together	**351,815**	**854,521**

Different creditors: here Company records short term liabilities of business relationships, fees and commissions.

Liabilities as of December 31, 2014 according to remaining due date

Other liabilities according to remaining due date	Up to 1 year	more than 1 year and less than 5 years	Total
Various creditors	231 026		231 026
Liabilities from provided loans (car loans)	4 773		4 773
Liabilities against employees	27 804		27 804
Liabilities against Social Insurance and health insurance companies	17 368		17 368
Prepaid expenses	17 404		17 404
Social Fund		931	931
Value added tax	16 053		16 053
Tax on dependent activity	4 962		4 962
Other taxes and fees	508		508
Vacation pay	27 376		27 376
Audit	3 300		3 300
Others	310		310
Total other liabilities	**350 884**	**931**	**351 815**

Age structure of various creditors as of December 31, 2014 is included in the following overview

Various creditors		
due	**overdue**	**Together**
65,851	165,1755	**231,026**

All other liabilities are due in time.

Creation and use of Social Fund during the accounting period are shown in the table below:

Social fund	31.12.2014	31.12.2013
Value to January 1st	348	1,730
Created against expenses	2,376	2,250
Usage	(1,793)	(3,632)
Status	**931**	**348**

One part of the Social Fund is under the Law on the Social Fund created against expenses and one part may be created from profits. Under the Social Fund Act, social funds are withdrawn in the form of a contribution for food vouchers equal to 10 % of the nominal value of a food voucher.

The statement of client assets

The clients' assets and liabilities are taken into accounting as assets entrusted to securities trader under the provision of investment services to clients and commitment to return the property. The company recorded the assets in off-balance sheet records.

Item	31.12.2014	31.12.2013
Clients' assets		
Clients' funds	3,726,903	1,791,603
Securities	108,797,784	60,024,912
Claims of client against the market	-	532,026
Liabilities of client against the market	-	(68,886)
Clients' assets together	**112,524,687**	**62,279,655**
Liabilities to clients of entrusted property		
Liabilities to clients' funds	3,726,903	1,791,603
Liabilities to securities (portfolio management)	23,962,054	20,223,509
Liabilities from securities rating (custodianship)	84,835,730	40,264,543
Liabilities to clients of entrusted property together	**122,524,687**	**62,279,655**

12. Net income from fees and commissions

	31.12.2014	31.12.2013
Income from fees and commissions	**2,679,530**	**3,899,361**
Management of financial services	937,422	1,073,844
Portfolio management	1,572,484	887,381
Investment consultation	-	-
Other financial services	169,624	1,938,136
Costs of fees and commissions	**(1,109,911)**	**(2,946,621)**
Commissions for management of financial services	(859,203)	(2,693,498)
Client bonuses	(11,664)	(15,081)
Other	(239,044)	(238,042)
Net income from fees and commissions	**1,569,619**	**952,740**

Income from fees and commissions by type of service and main territories are listed in the table below:

Period	31.12.2014					31.12.2013				
Type of service	Manage-ment of financial services	Portfolio manage-ment and custo-dianship	Invest-ment consulting	Other financial services	Together	Manage-ment of financial services	Portfolio manage-ment and custo-dianship	Invest-ment consulting	Other financial services	Together
Slovakia	3,625	154,659		4,183	162,467	4,494	98,098		-	102,295
Luxemburg	828,233			165,441	993,674	908,636	-		1,938,136	2,864,772
Czech republic		192,252			192,252	-	210,828		-	210,828
United Kingdom	8,247	1,224,535			1,232,782	2,097	577,502		-	579,599
Cyprus						-	-		-	-
Guernsey	97,317				97,317	158,617	-		-	158,617
Poland		1,038			1,038	-	953			953
Together	**937,422**	**1,572,484**		**169,624**	**2,679,530**	**1,073,844**	**887,381**	**0**	**1,938,136**	**3,899,361**

13. Net interest income

	31.12.2014	31.12.2013
Interest income and similar incomes	**11,629**	**3,032**
Interest from bank accounts and bank deposits	31	6
Interest from debt financial instruments	256	3,026
Loan interests	11,342	-
Interest cost and similar cost	**(1,004)**	**(1,961)**
Debit interest from bank accounts	(2)	-
Interest from financial car loan	(1,002)	(1,961)
Net interest income	**10,625**	**1,071**

14. Net (loss)/ profit from financial instruments in real value calculated through profit and loss statement

	Profit 31.12.2014	Loss 31.12.2014	Net loss 31.12.2014	Profit 31.12.2013	Loss 31.12.2013	Net loss 31.12.2013
Net profit (loss) from financial instruments in real value calculated through profit and loss statement	39 724	27 024	12 700	20 978	46 166	(25 188)
Together	**39 724**	**27 024**	**12 700**	**20 978**	**46 166**	**(25 188)**

15. Net (loss) / profit from operations with foreign exchange and assets and liabilities valued in foreign currency

	Profit 31.12.2014	Loss 31.12.2014	Net loss 31.12.2014	Profit 31.12.2013	Loss 31.12.2013	Net loss 31.12.2013
Net loss from operations with foreign exchange and assets and liabilities valued in foreign currency	68 532	43 094	25 438	92 925	104 605	(11 680)
Together	**68 532**	**43 094**	**25 438**	**92 925**	**104 605**	**(11 680)**

16. Administrative costs

	31.12.2014	31.12.2013
Payroll costs	**(581,376)**	**(555,820)**
Payroll costs	(422,064)	(405,572)
Social security costs	(140,797)	(133,509)
Other social costs	(18,515)	(16,739)
Amortization of tangible and intangible assets	**(18,050)**	**(25,679)**
Tangible fixed assets	(12,881)	(19,161)
Intangible Assets	(5,169)	(6,518)
Other administrative costs	**(944,077)**	**(469,141)**
Material usage	(11,323)	(5,937)
Car usage (petrol, material for cars)	(8,090)	(7,098)
Representatition expenses	(21,519)	(24,071)
Post and delivery services	(40,128)	(37,252)
Phones and internet	(18,630)	(22,559)
Rental of premises	(119,538)	(91,541)
Translation services	(17,506)	(18,981)
Computer services	(47,059)	(50,619)
Trainings	(335)	(207)
Tax and fees (except the income tax)	(2,027)	(1,788)
Marketing activities	(208,594)	(141,659)
Law consultancy	(15,288)	(13,068)
Software services	(29,218)	(14,443)
Audit	(12,950)	(13,035)
Other administrative costs	(391,872)	(26,883)
Together	**(1,543,503)**	**(1,050,640)**

17. Other operational income / expenses

	31.12.2014	31.12.2013
Other operatitinal costs	**(25,019)**	**(129,311)**
Not applicable VAT (coefficient)	(17,518)	(18,673)
Insurance	(7,496)	(7,506)
Other	(5)	(103,132)
Other operational income	**408,874**	**486,076**
Operational income	348,261	470,963
Income from selling assets	60,153	
Other	460	15,113

Operational income also cover income from the product Konto života, from data management of WIOF, WPP and WSP funds, selling the assets and other operational income.

18. Income tax

Income tax	Corporate tax base 2014	Tax 2014	Corporate tax base 2013	Tax 2013
Profit/ loss before taxation	112 869	24 831	(55 337)	12 728
Deductible items	389 880	85 774	(135)	(31)
Attributable/added items	-110 804	-24 377	123 978	28 515
Tax loss amortization	-	-	-	-
	391 945	86 228	179 180	41 211
Deferred tax 22%		(19 654)		(18 683)
Income tax all		66 574		(22 528)
Efective tax rate		**58.98%**		**40.71%**

19. Information on income and benefits of members of statutory bodies, supervisory authorities and other bodies of accounting unit.

Members of the statutory and supervisory bodies do not get any income for membership. All the income for members of statutory and supervisory bodies arise from their labor relations. These are the following:

Gross income of members of the statutory and supervisory bodies arising from their labour relations		
	2014	2013
Board of Directors	3,960	3,960
Board of Supervisors	42,270	39,755
Together	**46,230**	**42,715**

20. Transactions with related parties

Mother company and the only shareholder of the company is SFM Group International SA Head office is 20A rue des 3 Cantons, 8354 GARNICH.

a) Shareholder

Summary of balances to shareholders in the statement of financial situation

(in Euro)	31.12.2014	31.12.2013
Assets		
Other Assets	350,115	298,395
Together	**350,115**	**298,395**

The company has created throughout the year a correction allowance for receivables from SFM International SA in the amount of EUR 349,832.

The company has done during the accounting period following the transaction with shareholders:

(in Euro)	31.12.2014	31.12.2013
Income from interests and similar earnings	-	-
Income from fees and commissions	118 604	107 854
Together	**118 604**	**107 854**

b) Other related parties

Summary of balances to other related parties in the statement of financial situation

(in Euro)	31.12.2013	31.12.2012
Assets		
Financial assets with real value calculated through profit and loss		197 779
Ostatné aktíva	164 200	517 978
Together	**164 200**	**715 757**
Liabiities		
Other liabilities	15 859	13 928
Together	**15 859**	**13 928**

The company has done during the accounting period following transactions with other related parties:

(in Euro)	31.12.2014	31.12.2013
Income from fees and commissions		1,807,537
Costs of fees and commissions	119,894	(177,259)
Other administration costs	(352,800)	
Interests on debt financial instruments	11,598	3,025
Other operational costs	**-**	**(103,115)**
Other operational incomes	**-**	**-**
Together	**131,492**	**1,503,188**

21. The accurate values in accounting and reporting

The accurate and real value of assets is the amount of money for which an asset could be exchanged or paid for liability at usual price.

The estimated accurate values of financial assets and liabilities as of December 31, 2014 and December 31, 2013 correspond with their accounting value.

22. Average number of employees

Avarage number of employees	31.12.2014	31.12.2013
Avarage number of employees	21	19
Managers	5	5

23. Information about events that occurred between the ending of financial year and date of creation of balance sheet.

After December 31, 2014 there were no facts that have a significant effect on the fair presentation of facts which are the subject of accounting.

24. Settlement of economic results for 2013

Proposal for distribution of profit from 2013	
Reserve fund	3,280
Retained earnings from previous years	29,527
Profit for the period of 2013	**32,807**

25. Proposal for distribution of profit from 2014

Proposal for distribution of profit from 2014	
Reserve fund	4,629
Retained earnings from previous years	41,663
Profit for the period of 2014	**46,292**

26. Earning/loss per one share

The calculation of earnings per share is listed in the table below:

Earning/ loss per one share	31.12.2014	31.12.2013
Profit/ loss for the reported period	46,292	32,807
Average of shares during the year	4,500	4,500
Earning/ loss per one share	**10**	**7**

Risk control in the company.

Running of business requires a well controlled risks taking that is associated with it. This aspect of the company must be able to effectively manage risk, and to have adequate capital to cover them.

The Company's risk management is carried out in accordance with the Act. 566/2001 (collection of Laws) about securities and investment services and other generally binding legal regulations governing the risks and risk management system.
The purpose of risk management is to prevent potential losses from business risks of by means of early identification, tracking, measurement and mitigation of risks. This system also serves as a basis for informing of the board of company and the National Bank of Slovakia about current risk situation.

The main objective of risk management is to prevent own losses and thereby contribute to ensuring the achievement of long-term business goals of the company, mainly to ensure profitability and competitiveness.

The company is obliged to comply with the regulatory requirements of the NBS. These include limits and restrictions on capital adequacy and asset engagements. These requirements apply to all investment firms in Slovakia and their implementation is designed based on the reports that the company submitts in accordance with the regulations.

The company defines and identifies the risks in this areas:

- Credit risk,
- Market risk,
- Operational risk,
- Liquidity risk.

To copy with the calculated risk, company uses action in accordance with National Bank of Slovakia from 13/3/2007 no. 4/2007 (hereinafter the "action").

Risk Management Strategy

Is a set of documents approved by the Board of Directors of the Company which includes the main objectives and principles used for risk management.

Credit risk management strategy for the company:

- targets for credit risk management,
- acceptable level of credit risk
- acceptable level of risk to a single client, economically related group of clients, economic sectors, geographical areas and countries
- types of transactions and activities, which exposes the company to credit risk,
- methods for measuring, monitoring and mitigation of credit risk
- types of limits that the company will use to manage credit risk,
- sharing responsibility for managing credit risk.

Strategy of the management of market risk is:

- targets for market risk management,
- acceptable level of market risk;
- types of transactions and activities, which exposes the company to market risk,
- methods for measuring, monitoring and mitigating market risk,
- types of limits which the company will use for market risk management,
- sharing responsibility for managing market risk
- guidelines for classifying positions into the trading book.

Operational risk management strategy of the company is:

- the targets in the area of operational risk management,
- the base for identification and classification of operational risk events in accordance with the definition of operational risk
- definition of major sources of operational risk, which the company is exposed to,
- methods of identification, estimation, tracking and reconciliation of operational risk,
- Allocation of responsibilities for operational risk management

Credit Risk

Credit Risk Management

he company's goal is to develop an appropriate system for the purpose of concluding transactions of credit risk management involving the trading of financial instruments, money market and capital market financial instruments, which give possibility to credit risk and in particular:

a) defining the types of financial instruments that can be traded with,
b) establishment of rules for closing of business condition , cases by which a person can grant an exemption from the restrictions and cases where the employee may claim the exemption
c) a request for a written or audio record of the negotiation and conclusion of each transaction and also the requirement to store the records referred to in point. c) outside the organizational unit that closes the transaction, to prevent tampering at least for the time of the obligations extinction.

For the purposes of credit risk management, internal regulations in accordance with the approved management strategy of credit risk include also :

a) competence for the conclusion and approval of various types of transactions that give possibility of credit risk, for the approvals of limits and also exceptions from approved limits and also procedures for overrunning the limits
b) a description of the way of cooperation and information flows between departments which carry out business activities, activities related to trading and dealing activities associated with managing credit risk,
c) procedure for the management of transactions giving rise to credit risk with the rules for the creation of resources covering the identified risk
d) the procedure for recovery of outstanding debts
e) the procedure for measurement of security
f) requirements for regular and detailed information about credit risk for the statutory body and other responsible staff
g) control activities at the conclusion of transactions and business activities.

The measurement of credit risk within the company should comply mainly with the scale and complexity of the activities of company and in particular:

a) provide for the measurement of credit risk in all transactions and activities in which credit risk has been identified
b) ensure that all transactions are recorded correctly and on time,
c) allow to capture of all significant sources of credit risk in assets and liabilities,
d) evaluate the impact of changes in risk factors on costs and revenues,
e) allow to measure the credit risk using the method chosen in accordance with company strategy,
f) permit the measurement of credit risk in individual businesses, groups of related parties, in individual portfolios, economic sectors, geographical areas and countries and currencies.

Main things to be considered when choosing the method of measuring of credit risk:

a) type of business and trading conditions,
b) the volume of business operations until it is paid,
c) the economic situation of the contracted party until the operation is paid.

In order to monitor credit risk, the company will mainly secure :

a) setting limits and monitoring positions
b) limit the Company's internal compliance with all limits and regulations of secure business
c) a system of ongoing review of compliance with specified limits,
d) establish rules and procedures in case of exceeding the limits and the authorization of exceptions to specified limits,
e) inform the responsible departments of exceeding the limits
f) monitoring the progress of the overall portfolio composition and quality appropriate to the scale and complexity of operations.

Company for the purposes of calculating the credit risk uses standardized approach. This means that the risk levels are assigned to the contracting party in accordance with the measure. Risk level depends on the perspective of rating agencies (ECAIs) on the contractual party.

Level of credit quality	1	2	3	4	5	6
Risk level	20%	50%	100%	100%	150%	150%

For the purposes of calculating risk measured exposures according to standardized approach for credit risk, the company assigned and determine the risk measured exposures to legal entities. Exposures to business entities for which there is available a rating of standard rating agency (ECAI) are assigned a risk measurement according to the attached table, in accordance with the assignment of standard recognized rating agencies (ECAI) in six levels of credit quality .

Overview of exposures numbers is shown in the table below:

Overview of the exposure values	Value of exposure to 31.12.2014
Exposures towards institutions	EUR 683,712
Exposures to companies	EUR 631,863
Other exposures	**EUR 204,369**
Together	**EUR 1,519,944**

Overview of exposures according to risk importance is shown in the table below:

Risk value	Value of exposure to 31.12.2014 (in Euro)
risk value 20%	683,712
risk value 100%	836,232
Together	**1,519,944**

Market risk

Managing of market risk

Establishment of an appropriate system of transactions in financial instruments in capital market where there is a potential of market risk include also :

a) defining the types of financial instruments which can be used for trading
b) establishment of rules for closing of transactions,
c) a request for a written or audio record of the negotiation and conclusion of each transaction,
d) the requirement to store the records referred to in point. c) outside the organizational unit that closes the transaction, to prevent tampering at least for the time of the obligations extinction.

For the purposes of market risk management, internal regulations in accordance with the approved strategy of market risk management include also :

a) competence for the conclusion and approval of transactions in which there is a possibility of market risk,
b) the rules for classifying transactions in the trading book
c) procedures and competences for managing trading with financial instruments
d) the procedure for monitoring of prices in the trade and their comparison with market prices,
e) a description of cooperation and information flows between departments which carry out business activities, activities related to trading and activities associated with managing of market risk,
f) requirements for regular and detailed information about market risk for the statutory body and responsible employees
g) control activities for closing of businesses and other activities.

The measurement of market risk established in company should correspond with the scale and complexity of the company activities , mainly :

a) provide the measurement of market risk in all the transactions and activities in which this risk has already been identified
b) record all entered transactions correctly and on time,
c) allow to capture all significant sources of market risk in assets and liabilities of company,
d) evaluate the impact of changes in risk factors on costs and revenues,
e) allow the measurement of market risk by means of method chosen in accordance with company strategy,
f) permit the measurement of market risk in individual stores, groups of related parties, in individual portfolios, economic sectors, geographical areas and countries and currencies
g) ensure proper evaluation of positions,
h) enable the measurement of interest rate risk in each major currency.

In order to monitor market risk, the company secures mainly:

a) determining a limit for market risk exposures and limits for each component of the market risk
b) the connection of internal limits of the company with all limits and regulations of secure business making.
c) monitoring of all position where company is exposed to market risk
d) a system of ongoing review of compliance with specified limits,
e) establish rules and procedures for the case of exceeding the limits and for the authorization of exceptions to the limits
f) inform the competent bodies of the degree of market risk and exceeding the limits.

Company decided to use for purposes of calculating market risk the standardized approach.
Positions market in trading book are subject to market risk, i.e.:

- Positions in financial instruments or commodities held for trading for own account
- Long position in a financial instrument or commodity recorded in the trading book, the quantity of financial instruments or commodity for which the company is in the position of a creditor or owner.

According to the standardized approach the company will match all coefficients based on unique positions in trading book.

Requirements for basic own funds to 31.12.2013	(in thousands of EUR)
Requirements for basic own funds	**410**
Calculation of credit risk with standard method	**156**
Calculation of long-term exposures to institutions	3
Calculation of short-term exposures to institutions, companies and entrepreneurs	139
Calculation of other items	14
Calculation with simple approach	**108**
Value of bond financial instruments	20
Value of risk capital instruments	88
Value of foreign exchange risk	-
The own funds requirement for covering the risk of assets engagement of a trade book	
The own funds requirement for covering capital risk	**146**
Calculation of the basic indicator approach	146

Requirements for basic own funds to 31.12.2014	(in thousands of EUR)
Requirements for basic own funds	**260**
Calculation of credit risk with standard method	**78**
Calculation of long-term exposures to institutions	11
Calculation of short-term exposures to institutions, companies and entrepreneurs	51
Calculation of other items	16
Calculation with simple approach	**40**
Value of bond financial instruments	-
Value of risk capital instruments	16
Value of foreign exchange risk	24
The own funds requirement for covering the risk of assets engagement of a trade book	**-**
The own funds requirement for covering capital risk	**142**
Calculation of the basic indicator approach	142

Own funds together to 31.12.2013	(in thousands of EUR)
Basic own funds	**1,567**
Share capital	1,494
Used funds and other	73
Items generating the value of core capital	1,585
Payable share capital	1,494
Reserve funds and other funds created from profit after taxes to be used in cases of covering risk situations if occurs	91
Undistributed profit from previous years except of future profit from securitized assets allowing lower credit risk in securitized positrions	-
Items lowering the value of basic own funds	18
Net accounting value of policy statement	3
Accumulated loss of the previous years	15

Own funds together to 31.12.2014	(in thousands of EUR)
Basic own funds	**1,602**
Share capital	1,494
Used funds and other	108
Items generating the value of core capital	1,603
Payable share capital	1,494
Reserve funds and other funds created from profit after taxes to be used in cases of covering risk situations if occurs	95
Undistributed profit from previous years except of future profit from securitized assets allowing lower credit risk in securitized positions	14
Items lowering the value of basic own funds	1
Net accounting value of policy statement	1
Loss for reported period	-

For the monitored period of 2014 and 2013, the Company was meeting all requirements for own resources of covering specified by the measure of NBS as of March 13, 2007 on own resources of bank financing and requirements for own resources of bank financing and on own resources of financing of securities brokers and requirements for own resources of financing of securities brokers (hereinafter referred to as "Measure").

Foreign exchange risk

Financial assets and financial liabilities in foreign currency had the following structure (calculated to December 31, 2013)

Assets and liabilities in foreign currency	CZK	Pounds	Zloty	American dollar	Ostatné	EURO	Together
Assets							
Cash and cash equivalents	20,115	60,549	664	60,550	214	61,184	203,276
Claims towards clients	24,507	1,211	95	10,151	-	19,942	55,906
Financial assets in real value calculated through profit and loss	-	1,141	-	51,901	-	418,240	471,282
Deferred tax assets	-	-	-	-	-	59,227	59,227
Other assets	250	66,623	-	144,047	-	1,569,936	1,780,856
Together	**44,872**	**129,524**	**759**	**266,649**	**214**	**2,128,529**	**2,570,547**
Liabilities							
Provisions	15,113	9,242	-	45,880	-	26,541	96,776
Income tax						38,606	38,606
Liabilities - other	**39,055**	**16,877**	**20**	**455,600**	**-**	**342,969**	**854,521**
Together	**54,168**	**16,877**	**20**	**455,600**	**-**	**478,351**	**989,903**

Financial assets and financial liabilities in foreign currency had the following structure (calculated to December 31, 2014)

Assets and liabilities in foreign currency	CZK	Pounds	Zloty	American dollar	Ostatné	EURO	Together
Assets							
Cash and cash equivalents	74,927	63,789	865	117,437	212	438,202	695,432
Claims towards clients	27,007	1,231	105	39,289	-	14,740	82,372
Financial assets in real value calculated through profit and loss	-	1,211	-	61,331	-	561,093	623,635
Deferred tax assets	-	-	-	-	-	78,881	78,881
Other assets	247			9,207	-	659,326	668,780
Together	**102,181**	**66,321**	**970**	**227,264**	**212**	**1,752,242**	**2,149,100**
Liabilities							
Provisions	15,404	5,349	-	54,412	-	33,275	108,440
Income tax						46,808	46,808
Liabilities - other	16,768	7,741	19	2,235	-	325,052	351,815
Together	**32,172**	**13,090**	**19**	**56,647**	**-**	**405,135**	**507,063**

Liquidity Risk

Distribution of balance sheet assets and liabilities into time bands according to maturity of December 31, 2013

Distribution of balance sheet assets and liabilities into time bands according to maturity of December 31, 2013 (in euro)						
	To 1 month	From 1 month to 3 months	From 3 months to 12 months	From 1 year to 5 years	Not specified	Together
Cash and equivalents	203 276	-	-	-	-	203 276
Claims to clients	55 906	-	-	-	-	55 906
Financial assets in real value calculated through profit and loss	273 502	197 780	-	-	-	471 282
Long term intangible assets	-	-	-	-	2 986	2 986
Long term tangible assets	-	-	-	-	19 081	19 081
Deferred tax assets	-	-	-		59 227	59 227
Other Assets	1 747 562	-	-	-	33 294	1 780 856
Assets together	**2 280 246**	**197 780**	**-**	**-**	**114 588**	**2 592 614**
Provisions	-	-	-	-	96 776	96 776
Income tax			38 606			38 606
Other liabilities	812 113	5 052	32 223	4 784	349	854 521
Liabilities together	**812 113**	**5 052**	**70 829**	**4 784**	**97 125**	**989 903**

Distribution of balance sheet assets and liabilities into time bands according to maturity of December 31, 2014

Distribution of balance sheet assets and liabilities into time bands according to maturity of December 31, 2014 (in euro)						
	To 1 month	From 1 month to 3 months	From 3 months to 12 months	From 1 year to 5 years	Not specified	Together
Cash and equivalents	695 432	-	-	-	-	695 432
Claims to clients	82 372	-	-	-	-	82 372
Financial assets in real value calculated through profit and loss	623 635	-		-	-	623 635
Long term intangible assets	-	-	-	-	767	767
Long term tangible assets	-	-	-	-	6 200	6 200
Income tax	-	-	-	-	-	-
Deferred tax assets	-	-			78 881	78 881
Other Assets	471 137	-	-	164 200	33 443	668 780
Assets together	**1 872 576**	**-**	**-**	**164 200**	**119 291**	**2 156 067**
Provisions	-	-	-	-	108 440	108 440
Income tax			46 808			46 808
Other liabilities	306 022	15 555	29 307	-	931	351 815
Liabilities together	**306 022**	**15 555**	**76 115**	**-**	**109 371**	**507 063**

Operational risk

Operational risk management

The Identification of operational risk is set in:

1: In all kinds of businesses the company is making
2: in all processes that are applied,
3: all information systems used.

For managing operational risk identification include:

a) definition of operational risk events being observed by the company
b) classification of the operational risk events into groups designated by the company in accordance with company strategy.

For the purposes of operational risk management control there are internal regulations in accordance with the approved management strategy that also include:

Operational risks also include:

a) establishing procedures for identifying sources of operational risk in transactions , key activities, processes and systems
b) breakdown of operational risk events and their classification,
c) the inclusion of monitoring and evaluation of operational risk in the performance of everyday activities in the Company
d) the procedure for the use of mitigating operational risk, particularly operational risk events with low frequency but potentially high financial losses for the company,
e) developing policies and procedures for managing the risks associated with activities provided by contractors (outsourcing)
f) preparing of contingency plans for unexpected situations to ensure business continuity,
g) regular testing and review of contingency plans to match current business strategy of the company
h) the manner of cooperation and exchange of information between departments, which created operational risk and organizational units, which assesses the operational risk for the entire company.

There will be an implementation of forecasting system for management of operational risk which:

a) corresponds to the scale and complexity of the Company and especially
b) allows regular monitoring of cases of losses connected with operational risk
c) allows you to capture all sources of operational risk in businesses and activities and provides early warning of increased risk of future losses based on the number of indicators for the Company.

The estimate of operational risk can be particularly seen in:

a) evaluation of processes and operations versus defined set of operational risk events monitored by company
b) Operational risk mapping
c) monitoring indicators of operational risk, as the number of failed businesses, staff turnover rate, frequency and number of errors
d) measurement of operational risk, for example, by tracking the historical losses from operational risk events.

For the purposes of monitoring operational risk, the Company provides in particular:

a) determination of operational risk indicators for early warning of increased risk of potential losses,
b) monitoring of operational risk events and losses that might be resulting from these events,
c) inform the competent departments of the degree of operational risk based on the prepared system of monitoring of operational risk and major events of operational risk.

For the purpose of mitigating operational risk, the company secures mainly :

a) establish procedures for the selection of ways how the company manages access to the identified risk
b) regularly reports of the company's approach to the identified risk on the basis of the results of changes in the use of different approaches
c) regularly inform responsible employees about results of the company's approach to operational risk,
d) safe, reliable and continuous operation of its information system, especially:

- Develop an information system security policy, which sets targets for the security of information system in company, guiding principles and procedures to achieve them and ensure compliance with this policy,
- Create an information security infrastructure which presents governing bodies and working groups, whose role is to manage and ensure the efficient level of information system security, data and information
- Develop a risk analysis of the information system, which is regularly reviewed,
- Ensure the protection of information systems against unauthorized access and damage and protect premises where data are being proceed , equipment and data itself,
- Ensure efficient, safe, reliable and continuous operation of processing equipment,
- Ensure access of different people to management data and information about company
- Ensure the identification and assessment of unauthorized activities in the information system
- Ensure continuity of information system operation in case of major failures and accidents and creation of recovery plan and backup of information system in case of accident.

For purposes of calculating the operational risk, company has decided to use the basic indicator approach.
Based on the statement of profit and loss account the Company's relevant indicator is calculated as the sum of the items listed in the table. The sum is included in each item

1	Income from interest and similar incomes
2	Interest costs and similar costs
3	Income from shares and other securities with variable / fixed income
4	Income from fees and commissions
5	Costs of fees and commisssions
6	Net profit or net loss calculated from financial operations
7	Other income from financial transactions

The financial statements have been prepared and signed on April 29, 2015.

Signature of statutory body

Signature of the person responsible for preparation of financial statements

Signature of the person responsible for accounting

Independent Auditor's report

To the Shareholders of Cornhill Management, o.c.p., a.s.:

We have audited the accompanying financial statements of Cornhill Management, o.c.p., a.s., registered office: Einsteinova 24, 851 01 Bratislava (hereinafter "the Company"), which comprise the statement of the Company's financial position as at 31 December 2014, statement of comprehensive income, statement of changes in equity, and statement of cash flows for the year ending December 31, 2014, and notes, comprising a summary of significant accounting policies and methods and other explanatory information.

Responsibility of the Statutory Body for the Financial Statements
The statutory body is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as the statutory body determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurances that the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence of the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including an assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of the financial statements that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the statutory body, 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 opinion.

Opinion
In our opinion, the financial statements give a true and fair view of the financial position of Cornhill Management, o.c.p., a.s. as at December 31, 2014, and of its financial performance for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Bratislava, June 11, 2015

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The Art of Investment

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