SFM Group, o.c.p., a.s.

ANNUAL REPORT

2011

SFM GROUP
Investment products and services

ANNUAL REPORT
2011

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CHAIRMAN´S FOREWORD

Dear Clients, Partners and Shareholders,

2011 was not an easy year for the world economy and financial markets. Despite a partial recovery in the first few months of the year, 2011 was marked by continuing difficulties in the US and Chinese economies, but above all the never-ending problems of the European Union and the Eurozone.

In spite of this, our company maintained a growth trend and we gradually improved our existing products and created new products and services for clients and partners, including financial advisers. We also continued to develop our international activities, mainly thanks to co-operation within the SFM Group.

There were a number of structural changes within the company, the most important of which was a change in the Board of Directors at the end of the year when the Chairman of the Board stepped down from his post. However, he retained his post as Managing Director.

In terms of company finances, there was an 18 per cent rise in income, partly as a result of exceptional revenues at the start of the year, and a 37 per cent rise in expenditures. This resulted in a year-on-year fall in profits.

On behalf of the company, I would like to thank all our clients and business partners for their successful co-operation and on behalf of the Board I would like to thank our employees for their loyalty and good

Jakub Sýkora
Member of the Board

Jakub Sýkora
Member of the Board

GENERAL INFORMATION ABOUT THE COMPANY

Seat:	Mickiewiczova 2 811 07 Bratislava Slovak Republic
ID:	35 771 801
Tax ID:	2020275587
Registered:	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 the 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 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 financial instruments:
   a) transferable securities,
   b) shares or securities issued by foreign collective investment entities,
3. portfolio management relating to financial instruments:
   a) transferable securities,
   b) shares or securities issued by foreign collective investment entities,
4. investment advice in relation to 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 client, including custodianship and related services, mainly administration of cash and financial guarantees in relation to 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 in financial instruments.

Shareholders as of 31 December 2011:	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:	SFM Group, o.c.p., a.s. Aupark Tower, Einsteinova 24 851 01 Bratislava 0800 11 11 44 www.sfmgroup.eu bratislava@sfmgroup.com

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

COMPANY'S VALUES

Customer Focus

We fully respect all interests, and endeavour to meet or exceed the requirements and expectations of our clients and business partners. Our aim is always to be able to anticipate our customers´ needs and adapt our services accordingly. This way, we manage to build long-term professional relationships.

Responsibility

We recognize our responsibility to improve the quality of life of our clients through the services we provide. We never forget the social and society dimension of our activities. We require each co-worker to take full responsibility for all decisions made in the course of their work.

Innovative solutions

We offer our clients innovative solutions for their investment. Through innovative technologies and solutions, tailored to our clients, we provide high quality services and that is our added value.

Productivity

Investment activities are focused on the optimal use of funds. The confidence and trust of our existing and new clients is reflected in the long-term growth of our company.

Solidarity

We effectively combine individual interests in reaching common goals. Our aim is to build a company in which we share knowledge and experience. Succes-ses are a collective victory for all of us.

SENIOR MANAGEMENT AND ORGANISATIONAL STRUCTURE

Board

Ján Jančovič	Chairman (to 29.12.2011)
Jakub Sýkora	Board Member

Supervisory Board

Derek Chambers
Jana Frňková
Martin Višňovský (to 12.10.2011)
Daniel Petrakovič (from 30.12.2011)

Internal organisational structure is composed in order to match the requirements of supervisory authorities and legislation, but also to reflect requirements for effective operations of the company.

OBJECTIVES FOR THE YEAR 2012

We expect external factors to continue to exert a strong influence in 2012. We do not foresee an end to the current situation of global crisis, uncertainty, high volatility and difficulty in predicting trends on financial markets. At the same time we await a generally acceptable and above all successful resolution of the Eurozone crisis. Developments related to the Euro, in the case that, for example, some countries leave the Eurozone, could have a fundamental effect on the Slovak company.

Goals for 2012 can be divided into two groups. The goals of the international group, of which we are a part, and the goals of our company itself.

After almost 15 years in existence, SFM Group, which has its headquarters in Luxembourg, decided to change its name to Cornhill Management. The aim of this change is to support global expansion. The managing centre for this is the company branch in London, located at 1 Cornhill. The area has long been linked to financial services and is host to a number of financial institutions, for example the Bank of England. The new name is a mark of respect for the traditional values of finance. SFM Group, o.c.p., a.s. will be renamed in accordance with the group's new name during the course of the year.

Our company's aim, apart from, as usual, improvement in products, services and infrastructure, is the innovation of our product range in terms of both regular and one-off investments. We plan to establish co-operation with other, mainly fund, companies, both directly and via international platforms. Our goal is to also register our business in more European countries and therefore expand our international presence. Last but not least, it is vital that increased attention is paid to stabilising income and particularly to optimising expenditures so that we are able to smoothly adapt to the potential consequences of global economic problems.

PRODUCT RANGE

SFM Group, o.c.p. a.s. cooperated in 2011 with business partners on the following products:

World Investment Opportunities Funds SICAV

Part of our World Funds products, the World Investment Opportunities Funds (WIOF), founded in 1999 are currently registered for public offer in a number of countries in Europe and Asia. WIOF offers 15 sub-funds. The management company and the promoter of WIOF is Lemanik Asset Management Luxembourg SA. The Depositary is KBL European Private Bankers SA, part of the KBC Bank (Belgium) financial group. The WIOF sub-funds set themselves apart from rivals by their unique multi-management - investment professionals are selected to manage each individual fund, ensuring the highest levels of performance while meeting risk control criteria.

World Performance Portfolios SICAV

Luxembourg-based SFM Group's World Performance Portfolios (WPP) product is a range of sub-funds investing 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 for both retail and institutional investors.

World Strategy Portfolios SICAV

An SFM Group product, the 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 choice of share classes according to subscription currency and charging structure.

World Shariah Funds

The SFM Group's World Shariah Funds (WSF) is 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.

Konto života PLUS

The Lifestyle account is a regular investment product offering investors a flexible investment strategy to implement a long-term investment plan to create an annuity for retirement or use funds to reach shorter-term financial goals. Within the Lifestyle account, clients can select the amount and frequency of their regular investment and the investment period.

LifeFlex

LifeFlex is a regular investment product offering a flexible investment period of between three and ten years and regular or lump sum investments. Investors can also choose from various investment strategies corresponding to their risk profile.

FlexMAx

FlexMax Investment Account - 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 an investment portfolio.

OTHER FACTS

Human Resources

The company in 2010

- had on average 25 employees,
- had 4 newly recruited employees,
- had 7 employees that left,
- the total number of days in 2011 during which employees were on sick leave was 20.

In 2012, the average number of employees in the company is expected to be 21.

Employment structure in 2011

- the company employed: 46.8 % women, 53.2 % men,
- the average age of company employees was 32,
- 68.35% of employees had higher education.

The impact of the company on the environment

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 financial year 2011.

Information on development and financial status

The company closed 2011 with a net profit of 245,316.27 EUR.

Overview of financial results since 2008:

- 2010: net profit of 552,422 EUR
- 2009: loss of 91,569 EUR
- 2008: net profit of 12,453 EUR

In 2011 the company had the following significant revenues:

- revenues linked to the "Lifestyle Account" product 1,131,927 EUR
- revenues from services provided within the WIOF fund 215,854 EUR,
- revenues from services provided within the WPP fund 648,903 EUR,
- revenues from services provided within the WSP fund 420,510 EUR,
- revenues linked to the „Konto života„ product 177,678 EUR,
- revenues from investment services 302,248 EUR,
- revenues from investment mediation 337,104 EUR.

In 2011 the company incurred the following significant costs:

- personnel costs 721,423 EUR,
- office rental and related services 120,204 EUR,
- intermediary financial services commissions 1,318,170 EUR,
- marketing activities 59,125 EUR,
- IT services 51,989 EUR,
- courier and postal services 76,808 EUR.

Equity share of total resources as of 31. 12. 2011 was 84%.

FINANCIAL INDICATORS OF THE COMPANY

1. Liquidity

- Immediate liquidity (recommended figure 20 – 90%)

Immediate liquidity indicates to how much of its short-term liabilities the company can cover with liquid assets (liquid assets: cash, valuables, deposits in financial institutions).

year 2011	year 2010	year 2009
161%	271%	100%

In 2011, immediate liquidity fell by 110 percentage points compared to the previous year. Despite this fall, the company's immediate liquidity is significantly higher than the recommended figure. In 2011, the company held more cash than was necessary to cover short-term liabilities.

- Current liquidity (recommended figure of more than 100%)

Current liquidity allows the extent to which short-term liabilities are covered by liquid assets and receivables to be assessed. It also allows for the company's payment readiness to be evaluated.

year 2011	year 2010	year 2009
923%	627%	540%

The company's current liquidity rose by 296 percentage points compared to 2010. The company is able to cover its short-term liabilities with liquid assets and short-term receivables.

- Overall liquidity (recommended figure 150 – 250%)
Overall liquidity is the ratio of current assets and short-term liabilities. A figure above 150% is sufficient.

year 2011	year 2010	year 2009
923%	627%	540%

The company's overall liquidity grew markedly compared to 2010. It exceeds the sufficient value. The company's current assets cover its short-term liabilities.

2. Degree (coefficient) of self-finance (ratio of own capital to total capital) in %

This shows the financial independence of the company – its ability to cover the company's liability with own capital. This indicator should have a value of at least 30%.

year 2011	year 2010	year 2009
84%	83%	89%

The degree of self-finance in 2011 grew by 1 percentage point compared to the previous year. The company's own capital is sufficient to cover its liabilities.

3. Ratio of other to own capital

	year 2011	year 2010	year 2009
Other capital (EUR)	337 298	425 352	189 434
Own capital (EUR)	1 890 685	2 094 250	1 541 828
Ratio of other to own capital in %	18%	20%	12%

In 2011 there was a fall in the ratio of own to other capital within the company by 2 percentage points compared to 2010.

4. Degree of financial independence (ratio of own to other capital) in %

This indicator is positive if it is greater than 200%.

year 2011	year 2010	year 2009
561%	**492%**	**814%**

The ratio of own to other capital rose by 69 percentage points in 2011 compared to the previous year.

5. Total debt v %

A company is highly indebted if its total level of indebtedness is above 50%.

year 2011	year 2010	year 2009
15%	17%	11%

The company's total indebtedness fell by 2 percentage points compared to 2010. The company has a low level of total indebtedness.

6. Cost of revenue

year 2011	year 2010	year 2009
0,93	0,8	1,08

There was a slight growth of the cost indicator compared to the previous year.

Financial result for 2011

The company closed 2011 with a profit of 245,316.27 EUR.
Proposal for profit distribution:

24,531.63 EUR - mandatory reserve fund allocation,
220,784.64 EUR – shareholder dividend payments.

STATEMENT OF FINANCIAL POSITION TO 31ST DECEMBER 2011

(In Eur)	Note	31.12.2010	31.12.2010
Cash and cash equivalents	3	369 129	562 522
Claims on banks	4	-	500 000
Claims on clients	5	45 385	18 722
Financial assets at fair value are revalued through the income statement	6	771 313	493 820
Intangible assets	7	14 417	16 236
Tangible fixed assets	8	58 253	39 734
Loans granted	9	151 623	-
Income tax	10	52 367	-
Defarred tax assets	11	11 375	1 255
Other assets	12	776 983	887 313
Assets total		**2 250 845**	**2 519 602**
Liabilities			
Provisions	13	73 883	19 250
Other liabilities	14	287 396	275 865
Tax liabilites	15	-	130 237
Liabilities total		**361 279**	**425 352**
Equity			
Share capital		1 494 000	1 494 000
Reserve funds		66 733	11 491
Undistributed profit		83 517	36 337
Retained earnines		245 316	552 422
Profit for the reporting period		1 889 566	2 094 250
Equity total		**2 250 845**	**2 519 602**

Financial statements including notes on pages 8 to 41 ware signed on 29 March 2012.

Signature of statutory body

Signature of person responsible for preparation of financial statements

Signature of the person responsible for accounting

Statement of comprehensive result for the year ended 31 December 2011

In whole Euros	Note	31.12.2011	31.12.2010
Income from fees and commissions	17	2 782 910	1 899 403
Expenses forfees and commissions	17	(1 404 187)	(963 999)
Net fee and commission revenue	**17**	**1 378 723**	**935 404**
Interest income and similiar income	18	11 353	41 691
Interest expense and similar expense	18	(2 451)	(2 650)
Net interest income	**18**	**8 902**	**39 041**
Net (loss)/profit from financial instruments at fair value, revalued through profit and loss statement	19	(70 885)	35 371
Net (loss)/profit from operations with foreign exchange and assets and liabilities, value in foreign currency	20	(32 961)	(15 965)
Net loss/profit from trading		**(103 846)**	**19 406**
Payroll costs	21	(721 423)	(621 745)
Depreciation of tangible and intengible property	21	(40 811)	(42 587)
Other administrative costs	21	(657 865)	(389 245)
Total administrative costs	**21**	**(1 420 099)**	**(1 053 577)**
Other operating costs	**22**	**(154 963)**	**(85 471)**
Other operating income	**22**	**623 125**	**837 430**
Costs for Creation of provisions for other ossets		(16 859)	-
Profit before tax		**314 983**	**692 233**
Deferred income tax	11	10 120	(9 033)
Income tax	23	(79 787)	(130 778)
Profit after tax		**245 316**	**552 422**
Other parts of comprehensive result		-	-
Total comprehensive income for the year		**245 316**	**552 422**

Financial statements including the notes on pages 8 to 41 were signed on 29 March 2012.

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responsible for accounting

Statement of Changes in Equity

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

Položka	EUR	fondy EUR	valuation EUR	EUR	EUR
The state to 31. 12. 2009	1 494 000	11 491	-	36 337	1 541 828
Profit for the year 2010	-	-	-	552 422	552 422
The state to 31. 12. 2010	**1 494 000**	**11 491**	**-**	**588 759**	**2 094 250**
Profit for the year 2011	-	-	-	245 316	245 316
Profit dividing	-	55 242	-	(55 242)	-
Distribution of dividends	-	-	-	(450 000)	(450 000)
The state to 31.12. 2011	**1 494 000**	**66 733**	**-**	**328 833**	**1 889 566**

The Company reported a loss for 2009 of 91 569 EUR, and the decision of the General Assembly held on 29.6.2010 was as follows:

- loss of the Company for the financial year 2009, will be booked in retained earnings for the year 2005 as part and of retained earnings for 2006

Earnings reported by the company in 2010 - after-tax profit of 552 422 EUR will be based on the decision of the General Assembly held on 22.06.2011 divided as follows:

- part of 55 242 EUR to supplement reserve funds
- part of 47 180 EUR was reclassified as retained earnings from previous years
- the remaining part of 450 000 EUR for the payment of dividends to shareholders.

Statement of Cash Flows to 31/12/2011

	2011	2010
Cash flows from operating activities		
Profit or loss for accounting period before tax	314 983	692 233
Adjustments for non cash transactions		
Depreciations	40 811	42 587
Change in reserves	60 406	6 816
Profit or loss from foreign exchange operations and assets and		
foreign currency liabilities valued	32 961	15 966
Revaluation of financial assets revalued	70 885	(35 371)
in fair value through profit and loss statement		
Decreased value of Assets	16 859	-
Interest accounted to expenses	2 451	2 650
Interest accounted to revenue	(11 353)	(41 692)

Increase debts to customers	(26 663)	(12 440)
Increase in trading securities	(381 339)	(496 078)
Increase in debts to banks	500 000	(412 475)
Loans granted	(150 000)	-
Reduction of other assets and other tax		
debts	93 471	(401 005)
Reduction of liabilities	(15 073)	126 941
Increase in reserves	(2 011)	-
Payment of interests	(2 451)	(2 650)
Interest received	9 730	41 692
Tax refunded / Paid tax	(262 391)	15 737
Net cash flows from operating activities	**291 276**	**(457 089)**
Cash flows from investment activity		
Purchase of intangible and tangible assets	(67 511)	(12 759)
Income from sale of intangible and tangible assets	10 000	-
Sales of securities	-	1 001 716
Net Cash flows from investment activity	**(57 511)**	**988 957**
Cash flows from financial activity		
Payments of finance lease	22 842	(28 075)
Paid dividends	(450 000)	-
Net Cash flows from financial activity	**(427 158)**	**(28 075)**
Increase (decrease) in cash flow and equivalents		
of cash flow	(193 393)	539 164
Cash flow and of cash flow equivalents		
at the beginning of the year	562 522	23 358
Peňažné prostriedky a ekvivalenty peňažných prostriedkov na konci roka	**369 129**	**562 522**

Signature of statutory body

Signature of person responsible
for preparation of financial statements

Signature of the person
responsible for accounting

1. GENERAL INFORMATION

1. General information

SFM Group, o.c.p., a.s. was established on 03.08.1999 and was registered in 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 provision of investment services, investment activities and ancillary services according to act no. 566/2001 Law Code of equities 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 financial 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 31.12.2011 is as regular financial statements in accordance with Slovak law , § 17 par. No. 6 of Act No. 431/2002 Law Code of Accounting, for the period from 1.1.2011 to 31.12.2011.

Date of approval of financial statements for the previous reporting period

Financial statement of the company to 31.12.2010, for the previous reporting period, was approved by general Assembly on 22.6.2011.

Members of the statutory and the supervisory authority of the Company

Board of Directors
Ján Jančovič (chairman) (to 29.12.2011)
Jakub Sýkora

Supervisory Board
Jana Frňková
Martin Višňovský (to 12.10.2011)
Daniel Petrakovič (from 30.12.2011)
Derek Chambers

Changes in the Company during 2011:

Board of Directors

Mr. Ján Jančovič resigned as Chairman (29/12/2011).

Supervisory Board

Mr. Martin Višňovský resigned as a member of the Supervisory Board (12.10.2011).
Mr. Daniel Petrakovič was made a member of the Supervisory Board (30/12/2011).

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. located at 10 rue Mambra, L-8246 Mamer, Luxembourg.

The state to 31.12.2011	Share of fixed assets		Voting rights
	in EUR (rounding)	%	%
SFM Group International S.A.	1 494 000	100	100
Total	**1 494 000**	**100**	**100**

2.2. Accounting principles and methods that were used:

The Financial statements of the Company ("Financial Statements") for the year ended 31 December 2011 have 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.

For the period up to 31.12.2011, the company has for the first time prepared Financial statements under IFRS and in accordance with IFRS 1: First-time adoption of International Financial Reporting Standards.

The transition to IFRS did not affect the statement of financial position, profit and loss statement and other parts of a comprehensive result, statement of changes in equity and statement of cash flows. The transition to IFRS had an impact only on notes to financial statements.

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 concern.

The Financial statements have been prepared using a historical cost valuation, with financial instruments revalued to real value.

Presentation currency in financial statements is the euro ("€") and balances are given in whole euro 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 requiring 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

The company's functional currency is the euro.

Foreign currency transactions are initially recorded in the functional currency, while the foreign currency amount uses the exchange rate of the European Central Bank ("ECB") on 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 the exchange rate announced by the ECB on the day preceding the transaction for transaction date.

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 recognises 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 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 a 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. Accretion of interest is 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 31.12.2011

Financial instruments		**Stage 1**	**Stage 2**	**Stage 3**
Financial assets remeasured at fair value through profit and loss statement	6	-	771 313	-
Total			**771 313**	

to 31.12.2010

Finančné nástroje		**Stage 1**	**Stage 2**	**Stage 3**
Financial assets remeasured at fair value through profit and los statement	6	-	493 820	-
Total			**493 820**	

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 party at that time. It 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 the management accounting unit, supplemented by experience 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.

Property impairment

Identification of impaired assets

The company has each date on which the financial statements is 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 transportat of property to a destination and in a state in which it is capable of operation, by a method determined by management,
- Initial estimate of the cost of dismantling and removing the item and to rebuild the place of its location to its original state, which is an obligation for the 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.

Depreciation of value of property is systematically scheduled for the whole cycle of its working life.

The residual value and useful life of the 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 the case that its residual value was 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 which 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 asset is 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 results in a decrease in economic benefits that could be obtained from the property. Subsequently, in 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 use 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 the 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 is 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 on the first day of the month following 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 of longer than one year, and intangible property also includes assets valued at less than 2 400 EUR and more than 450 EUR and useful life of longer than one year. A property whose 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 on the first day of the month following 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, and tangible property also includes property valued at less than 1 700 EUR and more than 450 EUR and with a useful life of longer than one year. A property whose 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 all risks and rewards connected to ownership are not transfered substantially.

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 of minimum lease payments at least equals 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 in 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 the 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 beginning of the lease, which is close to the 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 the lease term, the assets and liabilities of future lease payments are recorded in the balance in equal amounts except 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, 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 or settled across.

For reporting of an asset it is important that its accounting value is paid in the form of economic benefits that will flow in future back to the company. If the assets exceed the tax basis, the value of taxable economic benefits will exceed the amount to be recognized as 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 the accounting value of the asset, the taxable temporary difference is canceled and the accounting entity will have a taxable profit. As a result, it is probable that economic benefits will flow out of the company by means of tax payments.

Some temporary differences arise when income or expenses 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 less 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 this 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 a 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 which have not been effective and applied yet.

Following new standards, amendments to standards and interpretations which are not yet effective for an accounting period ending on 31.12.2011 and could have been used for the preparation of these financial statements:

- Amendments to IFRS 7 Published - Transfers of Financial Assets (Effective for the annual accounts periods beginning after July 1, 2011; prospective usage. Earlier application is permitted.)

The amendments define "continuing engagement" for purposes of publishing of requirements.

- Understand the relationship between transferred financial assets that are not reported fully and related obligations, and
- Evaluate the nature and risks connected with continued engagement in the accounting entity with financial assets.

The amendments define "continuing commitment" for purposes of disclosure requirements.
The company does not expect that the amendment IFRS 7 will have a significant impact on the financial statements, because of the nature of operations of the Company and the types of financial assets that it holds.

3. Cash and cash equivalents

Cash and cash equivalents	31. 12. 2011	31. 12. 2010
Cash in the Treasury	6 816	6 863
Current accounts in banks (with paymnet period to 3 months)	362 313	555 659
Total	**369 129**	**562 522**

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 to manage cash flow.

4. Claims to banks

Claims to banks	31.12.2011	31.12.2010
Overlimit deposit account 2284-70716901 PB	0	300 000
Overlimit deposit account 2284-70513901 PB	0	200 000
Total	**0**	**500 000**

The company had the following deposit accounts as of 31.12.2010:

- Over limit deposit account with account number 2284-70716901 Privatbank with a binding period from 13.12.2010 to 12.06.2011.
- Over limit deposit account with account number 2284-70513901 Privatbank with a binding period from 13.12.2010 to 03.13.2011.

5. Claims to clients

Claims to clients	31. 12. 2011	31. 12. 2010
Claims to clients - Slovak Republic	3 107	3 133
Claims to clients - Czech Republic	25 562	14 174
Claims to clients- Great Britain	16 632	1 351
Claims to clients - Poland	84	64
Total	**45 385**	**18 722**

Claims to clients are charges for investment services provided such as client portfolio management for the Lifestyle account PLUS and Lifeflex products.

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

Trading securities	ISIN	31.12.2011	31.12.2010
Central & Eastern Europe Real Estate Fund	MT0000076423	349 557	11 427
WIOF Emerging Europe Perform. Fund I.	LU0494361149	105 163	160 039
WSF - RELIANCE GLOBAL CLASS I.	GG00B4Q85X38	180 029	167 789
WSF - ASIAN PACIFIC CLASS I.	GG00B4LF6141	136 564	154 565
Total		**771 313**	**493 820**

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 to growth in Central and Eastern Europe that joined the EU or 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 Reliance Global Shariah Growth Fund - USD Class I

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

WSF Asian Pacific Shariah Growth Fund - USD Class I

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

7. Non-current intangible assets

The movements of intangible property from 1.1.2010 to 31.12.2010

Type		purchase price	Adjustments and impairment	Net book value
Intangible property	**+ increases**	**5 364**	**3 865**	**14 737**
	- decreases	**-**	**-**	
	+/- movements	**-**	**-**	
	31.12.2010	**24 458**	**8 222**	**16 236**
Software and other intangible property	1.1.2010	19 094	4 357	14737
	+ increases	5 364	3 865	
	- decreases	-	-	
	+/- movements	-	-	
	31.12.2010	24 458	8 222	16 236
Acquisition of intangible property	**1.1.2010**	**-**	**-**	
	+ increases	**-**	**-**	
	- decreases	**-**	**-**	
	+/- movements	**-**	**-**	
	31.12.2010	**-**	**-**	**-**

The movements of intangible property from 1.1.2011 to 31.12.2011:

Type		purchase price	Adjustments and impairment	Net book value
Intangible property	**1.1.2011**	**24 458**	**8 222**	**16 236**
	+ increases	**4 620**	**6 439**	
	- decreases			
	+/- moves	**-**		
	31.12.2011	**29 078**	**14 661**	**14 417**
Software and other intangible property	1.1.2011	24 458	8 222	16 236
	+ increases	4 620	6 439	
	- decreases	-	-	
	+/- moves	-	-	
	31.12.2011	29 078	14 661	14 417
Acquisition of intangible property	**1.1.2011**	**-**	**-**	**-**
	+ increases	**-**	**-**	
	- decreases	**-**	**-**	
	+/- moves	**-**	**-**	
	31.12.2011	**-**		**-**

8. Non-current tangible assets

Movements of fixed assets from 1.1.2010 to 31.12.2010:

Type		price	Adjustments	value
Non-current tangible assets	**1.1.2010**	**268 497**	**204 908**	**63 589**
	+ increase	**7 395**	**38 722**	
	- decrease	**-**	**-**	
	+/- transfer	**7 472**	**-**	
	31.12.2010	**283 364**	**243 630**	**39 734**

Machines and equipment	1.1.2010	131 629	116 810	14 819
	+ increase	4 917	13 998	
	- decrease	-	-	
	+/- transfer	7 472	-	
	31.12.2010	144 018	130 808	13 210
Vehicles	1.1.2010	79 668	57 475	22 193
	+ increase	-	13 892	
	- decrease	-	-	
	+/- transfer	-	-	
	31.12.2010	79 668	71 367	8 301
Inventory	1.1.2010	38 616	23 809	14 807
	+ increase	2 478	7 115	
	- decrease	-	-	
	+/- transfer	-	-	
	31.12.2010	41 094	30 924	10 170
Other fixed assets	1.1.2010	18 584	6 814	11 770
	+ increase	-	3 717	
	- decrease	-	-	
	+/- transfer	-	-	
	31.12.2010	18 584	10 531	8 053
Acquired tangible assets	**1.1.2010**	**7 472**	**-**	**7 472**
	+ increase	**-**	**-**	
	- decrease	**-**	**-**	
	+/- transfer	**(7 472)**	**-**	
	31.12.2010	**-**	**-**	**-**

Movements of fixed assets from 1.1.2011 to 31.12.2011:

Type		price	Adjustments	Residual value
Non-current tangible assets	**1.1.2011**	**283 364**	**243 630**	**39 734**
	+ increase	**52 891**	**34 372**	
	- decrease	**132 602**	**132 602**	
	+/- transfer	**-**	**-**	
	31.12.2011	**203 653**	**145 400**	**58 253**
Machines and equipment	1.1.2011	144 018	130 808	13 210
	+increase	14 788	10 373	
	- decrease	96 167	96 167	
	+/- transfer	-	-	
	31.12.2011	62 639	45 014	17 625
Vehicles	1.1.2011	79 668	71 367	8 301
	+ increase	36 339	13 600	
	- decrease	34 637	34 637	
	+/- transfer	-	-	
	31.12.2011	81 370	50 330	31 040

Inventory	1.1.2011	41 094	30 924	10 170
	+ increase	-	6 593	
	- decrease	1 798	1 798	
	+/- transfer	-	-	
	31.12.2011	39 296	35 719	3 577
Other fixed assets	1.1.2011	18 584	10 531	8 053
	+ increase	1 764	3 806	
	- decrease	-	-	
	+/- transfer	-	-	
	31.12.2011	20 348		6 011
Acquired tangible assets	**1.1.2011**	**-**		**-**
	+ increase	**-**		
	- decrease	**-**		
	+/- transfer	**-**		
	31.12.2011	**-**		**-**

There wasn't any adjustment/correction made about tangible or intangible assets
The company is leasing (financial lease, contracts concluded after 01.01.2004) 2 cars at cost 36 339 EUR (net accounting value for 12/31/2011 is 31 040 EUR).

Assets of the company are insured with the insurance company Allianz - Slovak insurance company for the sum of 132 776 EUR and there is a separate insurance for items which are financially leased things in financial leasing.

9. Granted loans

Granted loans	31.12.2011	31.12.2010
Granted loans	150 000	-
Interest from loans	1 623	-
Total granted loans	**151 623**	**-**

The company provided one loan with a one year repayment period.

Loans provided						
within payment period	**after payment period**					
	to 30 days	**from 31 to 90 days**	**from 91 to 180 days**	**from 181 to 360 days**	**over 360 days**	**Total**
151 623	-	-	-	-	-	151 623

10. Tax claims

Tax claims	31.12.2011	31.12.2010
Income tax (advance payments)	52 367	-
Total tax claims	**52 367**	**-**

In 2011 the company had an overpayment as a results of advance income tax payments.

11. Deferred tax liability

The calculation of deferred tax has been made with the tax rate applicable for 2011 which is 19%.

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

Deferred Tax	31.12.2011	31.12.2010
Temporary differences between the accounting value of assets and liabilities and their tax base		
– deductible (tangible fixed assets)	7 555	6 606
– deductible (reserve for clients bonuses)	52 314	-
Temporary differences together	**59 869**	**6 606**
Income tax (in %)	19%	19%
Deferred tax liability	**11 375**	**1 255**

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 below:

Change in deferred tax assets	in Euro
Value to 31.12.2011	11 375
Value to 31.12.2010	1 255
Change	**10 120**

12. Other assets

Other assets	31.12.2011	31.12.2010
Various debtors	739 391	831 114
Detterred expenses	31 239	6 311
Long term advance payments	21 770	20 978
Short term advance payments	126	27 776
Deferred income	1 137	1 032
Resources	179	102
Other assets before adjustments	**793 842**	**887 313**
Provisions for assets	16 859	-
Other assets together	**776 983**	**887 313**

Other debtors, here company records short-term claims from business activity, investment brokering services and other services.
The age structure of various debtors to 31.12.2011 is given in the table below:

Different debtors						
within payment period	after payment period					
	to 30 days	from 31 to 90 days	from 91 to 180 days	from 181 to 360 days	over 360 days	Total
236 600	117 644	166 428	14 634	119 788	84 297	739 391

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

Future costs	31. 12. 2011	31. 12. 2010
Deferred expenses - Rent	29 002	-
Insurance	596	4 115
Software updates	136	1 014
Other	1 505	1 182
Total	**31 239**	**6 311**

Long term advance payments are rent payments paid in advance.

For the above claims no security has been created .

The company has no interest in assets after payment.

Creation of adjusted (corrected) entries

Throughout the year ending 31.12.2011 the company has created adjusted (corrected) entries of 16 859 EUR (2010: 0 EUR) Adjustment was created to receivables from various debtors.

13. Provisions

Provisions	to 31. 12. 2010	Creation	Use	Cancellation	to 31.12.2011
Provisions for clients´benefits	-	52 314	-	-	52 314
Payroll for holiday period + social coverage	19 250	21 569	17 239	2 011	21 569
Total	**19 250**	**73 883**	**17 239**	**2 011**	**73 883**

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.

14. Other liabilities

Other liabilities	31.12.2011	31.12.2010
Various creditors	144 807	180 001
Liabilities to clients	3 650	-
Leasing liabilities	34 152	11 310
Liabilities to employees	31 426	30 168
Liabilities against Social insurance company and health insurance companies	18 234	17 852
Future costs	18 052	2 497
Social fund	5 309	4 274
Audit	9 000	7 200

Value added tax	16 393	16 391
Tax from dependent activities	6 077	5 259
Other taxes and fees	26	577
Other	270	336
Total other liabilities	**287 396**	**275 865**

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

All other liabilities are due in time.

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

Social Fund	31.12.2011	31.12.2010
Value as of January 1st	4 274	3 643
Created against expenses	2 930	2 474
Use	(1 895)	(1 843)
Status	5 309	4 274
Total	**31 239**	**6 311**

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. The social Fund (according to the social fund law) must be used as a contribution to meal vouchers at 10% of the nominal value of the meal ticket.

15. Tax liabilities

Tax liabilities	31.12.2011	31.12.2010
Income tax	-	130 237
Tax liabilities together	-	130 237

16. The statement of client assets

Client assets and liabilities are taken in accounting as assets entrusted to a 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	31.12.2011	31.12.2010
Client assets		
Client funds	255 218	290 521
Securities	5 152 846	2 008 091
Claims of client against the market	95 730	264 612
Total clients' assets	5 503 794	2 563 224
Liabilities to clients of entrusted property		
Liabilities to client funds	255 218	290 521
Liabilities to securities (portfolio management)	4 699 898	1 930 333
Liabilities from securities rating (custodianship)	548 678	342 370
Total liabilities to clients of entrusted property	5 503 794	2 563 224

17. Net income from fees and commissions

Income from fees and commissions	2 782 910	1 899 403
Management of financial services	1 202 630	700 138
Portfolio management	302 248	117 832
Other financial services	1 278 032	1 081 433
Costs of fees and commissions	(1 404 187)	(963 999)
Commissions for management of financial services	(1 318 170)	(947 537)
Client bonuses	(56 076)	-
Other	(29 941)	(16 462)
Net income from fees and commissions	**1 378 723**	**935 404**

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

Period	31.12.2011				31.12.2010			
Type of service	Management of financial services	Portfolio manage-ment	Other financial services	Total	Management of financial services	Portfolio manage-ment	Other financial services	Total
Slovakia	3 521	40 480	0	44 001	5 741	26 262	-	32 003
Luxemburg	766 113	-	1 278 032	2 044 145	651 480	-	1 081 432	1 732 912
Czech Republic	-	180 164	0	180 164	-	75 204	-	75 204
United Kingdom	337 104	80 781	-	417 885	-	15 708	-	15 708
Guernsey	95 892	-	-	95 892	42 918	-	-	42 918
Poland	-	823	-	823	-	658	-	658
Total	**1 202 630**	**302 248**	**1 278 032**	**2 782 910**	**700 139**	**117 832**	**1 081 432**	**1 899 403**

18. Net interest income

	31.12.2011	31.12.2010
Interest income and similar incomes	**11 353**	**41 691**
Interest from bank accounts and bank deposits	9 730	3 212
Interest from debt financial instruments	-	38 479
Loan interests	1 623	-
Interest cost and similar cost	**(2 451)**	**(2 650)**
Debit interest from bank accounts	(25)	(69)
Interest from financial loan	(2 426)	(2 581)
Net interest income	**8 902**	**39 041**

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

	Profit 31.12.2011	Loss 31.12.2011	Net loss 31.12.2011	Profit 31.12.2010	Loss 31.12.2010	Net loss 31.12.2010
19. Net (loss)/ profit from financial instruments in real value calculated through profit and loss statement.	332 256	403 141	(70 885)	66 909	31 538	35 371
Total	**332 256**	**403 141**	**(70 885)**	**66 909**	**31 538**	**35 371**

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

	Profit 31.12.2011	Loss 31.12.2011	Net loss to 31.12.2011	Profit 31.12.2010	Loss 31.12.2010	Net loss 31.12.2010
Net (loss) / profit from operations with foreign exchange and assets and liabilities valued in foreign currency	145 023	177 984	(32 961)	44 546	60 511	(15 965)
Total	**145 023**	**177 984**	**(32 961)**	**44 546**	**60 511**	**(15 965)**

21. Administrative costs

	31.12.2011	31.12.2010
Payroll costs	**(721 423)**	**(621 745)**
Payroll costs	(537 890)	(451 408)
Social security costs	(163 517)	(150 767)
Other social costs	(20 016)	(19 570)
Amortization of tangible and intangible assets	**(40 811)**	**(42 587)**
Tangible fixed assets	(34 372)	(38 722)
Intangible Assets	(6 439)	(3 865)
Other administrative costs	**(657 865)**	**(389 245)**
Material use	(25 333)	(18 132)
Car use (petrol , material for cars)	(22 652)	(9 336)
Representation expenses	(40 514)	(28 342)
Post and delivery services	(76 808)	(19 219)
Phones and internet	(32 834)	(34 249)
Rental of premises	(120 204)	(110 590)
Translation services	(9 523)	(20 160)
Computer services	(51 989)	(44 367)
Training	(24 059)	(25 546)
Tax and fees (except income tax)	(2 805)	(1 483)
Marketing activities	(59 125)	(3 886)
Legal consultancy	(77 018)	(7 968)
Software services	(8 031)	(15 964)
Personnel agencies	(23 700)	

Audit	(15 189)	(12 152)
Other administrative costs	(68 081)	(37 851)
Total	**(1 420 099)**	**(1 053 577)**

22. Other operational income / expenses

	31.12.2011	31.12.2010
Other operational costs	**(154 963)**	**(85 471)**
Non applicable VAT (coefficient)	(106 941)	(50 044)
Insurance	(8 457)	(8 839)
Other	(39 565)	(26 588)
Other operational income	**623 125**	**837 430**
Operational income	610 261	821 555
Income from selling assets	10 000	138
Income from asset cancellation or lowering of value	-	15 737
Other	2 864	-

Other operational income also include income from the product " Konto zivota" (Account of life), from data management of WIOF , WPP and WSP funds, sell of assets and other operational income.

23. Income tax

Income Tax	Corporate tax base 2011	Tax 19% 2011	Corporate tax base 2010	Tax 19% 2010
Profit before taxation	**314 983**	**59 847**	**692 233**	**131 524**
Deductible items	4 662	-886	338	(64)
Attributable/added items	109 610	20 826	45 839	8 709
Tax loss amortization	-	-	49 431	(9 392)
		79 787		130 778
Deferred tax		(10 120)		9 033
Income tax all		69 667		139 811
Effective tax rate	22,12%		20,20%	

24. 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 income for members of statutory and supervisory bodies arises from their employment. These are as follows:

(in Euro)	31.12.2011	31.12.2010
Gross income of members of the statutory and supervisory bodies arising from their employment		
Board of Directors	45 730	37 585
Supervisory Board	44 715	44 715
Total	**90 445**	**44 715**

25. Financial transactions with related parties

The mother company and the only shareholder of the company is SFM Group International SA Head office is 10 rue Mambra, L-8246 Mamer, Luxds

a) Shareholder

Summary of balances to shareholders in the financial statement.

(in Euro)	31.12.2011	31.12.2010
Assets		
Provided Loans	151 623	-
Other Assets	139 656	130 114
Total	**291 279**	**130 114**

The company has through the year a created correction allowance for receivables from SFM International SA of 14 325 Euros.

During the accounting period the company has carried out the following transactions with shareholders:

(in Euro)	31.12.2011	31.12.2010
Income from interests and similar earnings	1 623	-
Income from fees and commissions	57 254	84 831
Total	**58 877**	**84 831**

b) Other related parties

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

(in Euro)	31.12.2011	31.12.2010
Assets		
Financial assets with real value calculated through profit and loss	421 756	482 393
Other assets	548 085	680 389
Total	**969 841**	**1 162 782**
Liabiities		
Other liabilities	18 134	31 459
Total	**18 134**	**31 459**

During the accounting period the company has carried out the following transactions with other related parties:

(in Euro)	31.12.2011	31.12.2010
Income from fees and commissions	2 082 784	1 690 999
Costs of fees and commissions	(61 873)	(61 917)
Other operational fees and commissions	391 575	614 075
Total	**2 412 486**	**2 243 157**

The company has created throughout the year a correction allowance for receivables from other related parties of 2,535 euros.

26. 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 31.12.2011 and 31.12.2010 correspond with their accounting value.

27. Average number of employees

Average no. of employees	31.12.2011	31.12.2010
Average no. of employees	**25**	**26**
Managers	6	6

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

After 31.12.2011 there were no facts that have a significant effect on the fair presentation of facts which are the subject of accounting.

29. Distribution of profit from 2010

Profit distribution	
Reserve fund	**55 242**
Dividends	450 000
Retained earnings from previous years	47 180
Profit for 2010	552 422

30. Proposal for distribution of profit from 2011

Proposal for distribution of profit from 2011	
Reserve funds	**24 644**
Dividends	220 672
Retained earnings from previous years	-
Profit for the period of 2011	245 316

31. Earning/loss per share

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

Earnings per share	31.12.2011	31.12.2010
Profit for the reported period	**245 316**	**552 422**
Average of shares during the year	4 500	4 500
Earning per share	55	123

32. Risk control in the company.

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

The Company's risk management is carried out in accordance with the Act. 566/2001 (collection of Laws) on 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 by early identification, tracking, measurement and mitigation of risks. This system also serves as a basis for informing the company board and the National Bank of Slovakia about its current risk situation.
The main objective of risk management is to prevent own losses and thereby contribute to ensuring long-term business goals of the company are achieved, 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 submits in accordance with the regulations.

The company defines and identifies the risks in the following areas:

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

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

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 of 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.

Market risk management strategy of the company is:

- targets for market risk management,
- acceptable level of market risk;
- types of transactions and activities, which expose 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 in the trading book.

Operational risk management strategy of the company is:

- targets in operational risk management,
- 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

The 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 have the potentianal for credit risk and in particular:

a) defining the types of financial instruments that can be traded,
b) establishment of rules for closing of business condition , cases in which a person can grant an exemption from restrictions and cases where the employee may claim an 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 which have the potentianal for of credit risk, for the approvals of limits and also exceptions from approved limits and also procedures for exceeding the limits
b) a description of the method 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 rules for the creation of resources covering the identified risk
d) a procedure for recovery of outstanding debts
e) a 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 its activities 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 for credit risk to be measure 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 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 cases where limits are exceeded and the authorization of exceptions to specified limits,
e) inform responsible bodies when limits are exceeded
f) monitoring the progress of the overall portfolio composition and quality appropriate to the scale and complexity of operations.

For for the purpose of calculating credit risk the company uses a standardized approach. This means that 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 a standardized approach for credit risk, the company assigned and determine 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 exposure numbers is shown in the table below:

Overview of the exposure values	Value of exposure as of 31.12.2011 (in euro)
Exposures towards institutions	362 312 €
Exposures to companies	939 878 €
Other exposures	103 638 €
Total	**1 405 828 €**

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

Risk value	Exposure value as of 31.12.2011 (in Euro)
risk value 20%	362 312
risk value 100%	1 043 516
Total	**1 405 828**

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 the company should correspond with the scale and complexity of its activities , mainly :

a) provide a 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 methods 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 all major currencies.

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

a) determining a limit for market risk exposures and limits for each component of market risk
b) the connection of internal limits of the company with all limits and regulations of secure business operation.
c) monitoring of all positions where the 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 those limits and for the authorization of exceptions to the limits
f) inform competent bodies of the degree of market risk and exceeding of limits.

For the purposes of calculating market risk the company decided to use a 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 the trading book.

Requirements for basic own funds as of 31.12.2011	(in thousands of EUR)
Requirements for basic own funds	457
Calculation of credit risk with standard method	89
Calculation of long-term exposures to institutions	6
Calculation of short-term exposures to institutions, companies and entrepreneurs	75
Calculation of other items	8
Calculation with simple approach	**302**
Value of risk capital instruments	247
Value of foreign exchange risk	55
Own funds requirement for covering capital risk	**66**

Total own funds as of 31.12.2011	(in thousands of EUR)
Basic own funds	1 631
Share capital	1 494
Used funds and other	137
Items generating the value of core capital	1 645
Payable share capital	1 494
Reserve funds and other funds created from profit after taxes to cover risk situations if they occur	67
Undistributed profit from previous years except future profit from securitized assets allowing lower credit risk in securitized positions	84
Items lowering the value of basic own funds	14
Net accounting value of policy statement	14

Numbers for 2011 taken from reports from the National Bank of Slovakia.

Requirements for basic own funds as of 31.12.2010	(in thousands of EUR)
Requirements for basic own funds	356
Calculation of credit risk with standard method	132
Calculation of long-term exposures to institutions	17
Calculation of short-term exposures to institutions, companies and entrepreneurs	112
Calculation of other items	3
Calculation with simple approach	158

Value of risk capital instruments	158
Value of foreign exchange risk	-
Own funds requirement for covering capital risk	66

Total own funds as of 31.12.2010	(in thousands of EUR)
Basic own funds	1 525
Share capital	1 494
Used funds and other	31
Items generating the value of core capital	1 541
Payable share capital	1 494
Reserve funds and other funds created from profit after taxes to cover risk situations if they occur	11
Undistributed profit from previous years except future profit from securitized assets allowing lower credit risk in securitized positions	36
Items lowering the value of basic own funds	16
Net accounting value of policy statement	16

As of December 31, 2010 the company did not calculate the capital requirement arising from foreign exchange risk.
All figures for 2010 come from reports of the National Bank of Slovakia.
2010 figures are taken from reports to the NBS.

For the period's 2011 and 2010, the company met all requirements for capital coverage according to regulations of the National Bank of Slovakia from March 13th 2007.
(Regulation of capital coverage of banks and securities dealers- hereinafter "Regulation")

Foreign exchange risk

Financial assets and financial liabilities in foreign currency had the following structure (calculated to 31.12.2011)

Assets and liabilities in foreign currency	CZK	Pounds	Polish Zloty	American dollar	Other	EURO	Together
Assets							
Cash and cash equivalents	114 990	1 863	794	1 386	211	249 885	369 129
Claims towards clients	25 562	3 302	84	12 587	-	3 850	45 385
Financial assets in real value calculated through and loss	-	-	-	316 593	-	454 720	771 313
Provided loans	-	-	-	-	-	151 623	151 623
Income tax	-	-	-	-	-	52 367	52 367
Deferred tax assets	-	-	-	-	-	11 375	11 375
Other assets	255 709	22 845	1 394	7 414	-	489 621	776 983
Together	**396 261**	**28 010**	**2 272**	**337 980**	**211**	**1 413 441**	**2 178 175**

Liabilities							
Provisions	-	-	-	-	-	73 883	73 883

Liabilities - other	**60 457**	**8 993**	**420**	**9 666**	**-**	**207 860**	**287 396**
Total	**60 457**	**8 993**	**420**	**9 666**	**-**	**281 743**	**361 279**

Financial assets and financial liabilities in foreign currency had the following structure (calculated to 31.12.2010):

Assets and liabilities in foreign currency	CZK	Pounds	Polish Zloty	American dollar	Other	EURO	Together
Assets							
Cash and cash equivalents	1 118	1 067	270	743	217	559 107	562 522
Claims towards banks	-	-	-	-	-	500 000	500 000
Claims towards clients	14 174	796	63	406	-	3 283	18 722
Financial assets in real value calculated through profit and loss	-	-	-	322 354	-	171 466	493 820
Deferred tax assets	-	-	-	-	-	1 255	1 255
Other assets	121 866	21 362	358	7 290	-	736 437	887 313
Total	**137 158**	**23 225**	**691**	**330 793**	**217**	**1 971 548**	**2 463 632**
Liabilities							
Provisions	-	-	-	-	-	19 250	19 250
Tax liability	-	-	-	-	-	130 237	130 237
Liabilities - other	132 037	-	358	674	-	142 796	275 865
Total	**132 037**	**-**	**358**	**674**	**-**	**292 283**	**425 352**

Liquidity Risk

Distribution of balance sheet assets and liabilities into time bands according to maturity as of December 31, 2011

Distribution of balance sheet assets and liabilities into time bands according to maturity as of December 31, 2011 (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	369 129	-	-	-	-	369 129
Claims to clients	45 385	-	-	-	-	45 385
Financial assets in real value calculated through profit and loss	771 313	-	-	-	-	771 313
Long term intangible assets	-	-	-	-	14 417	14 417
Long term tangible assets	-	-	-	-	58 253	58 253
Provided loans	-	-	151 623	-	-	151 623
Income tax	-	52 367	-	-	-	52 367
Deferred tax assets	-	-	-	1 435	9 940	11 375
Other Assets	722 532	32 681	-	-	21 770	776 983
Total assets	**1 908 359**	**85 048**	**151 623**	**1 435**	**104 380**	**2 250 845**
Provisions	-	-	-	-	73 889	73 889

Other liabilities	287 396	-	-	-	-	287 396
Total iabilities	**287 396**	**-**	**-**	**-**	**73 889**	**361 285**

Distribution of balance sheet assets and liabilities into time bands according to maturity as of December 31, 2010

Distribution of balance sheet assets and liabilities into time bands according to maturity as of December 31, 2010 (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	562 522	-	-	-	-	562 522
Claims to banks	-	200 000	300 000	-	-	500 000
Claims to clients	18 722	-	-	-	-	18 722
Financial assets in real value calculated through profit and loss	493 820	-	-	-	-	493 820
Long term intangible assets	-	-	-	-	16 236	16 236
Long term tangible assets	-	-	-	-	39 734	39 734
Deferred tax assets	-	-	-	1 255	-	1 255
Other assets	817 677	47 866	-	-	21 770	887 313
Total assets	**1 892 741**	**247 866**	**300 000**	**1 255**	**77 740**	**2 519 602**
Provisions	-	-	-	-	19 250	19 250
Tax liabilities	-	130 237	-	-	-	130 237
Other liabilities	275 865	-	-	-	-	275 865
Total liabilities	**275 865**	**130 237**	**-**	**-**	**19 250**	**425 352**

Operational risk

Operational risk management

The Identification of operational risk is set :

1: In all types of bussines carry out by the company
2: in all processes that are applied,
3: all information systems used.

For managing operational risk identification include:

a) definition of operational risk events 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 a 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 result 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 the company manages access to the identified risk
b) regular reports on 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 the 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 processed , 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 the 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 , the 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 were prepared and signed
on 29 March 2012.

Signature of statutory body

Signature of person responsible
for preparation of financial statements

Signature of the person
responsible for accounting

KPMG Slovensko spol. s r. o.
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Translation of the Independent Auditors' Report originally prepared in Slovak

Independent Auditors' Report

To the Shareholder, Supervisory Board and Board of Directors of SFM Group, o.c.p., a. s.:

We have audited the accompanying financial statements of SFM Group, o.c.p., a. s. ("the Company"), which comprise the statement of financial position as at 31 December 2011, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management as represented by 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 management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' 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 assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, 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 management, 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 the Company as at 31 December 2011, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Other Matter

The Company changed its name from SFM Group, o.c.p., a. s. to Cornhill Management, o.c.p., a.s. on 1 April 2012.

4 June 2012
Bratislava, Slovak Republic

Auditing company:
KPMG Slovensko spol. s r.o.
License SKAU No. 96

Responsible auditor:
Ing. Richard Farkaš, PhD.
License SKAU No. 406

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Report on Audit of Consistency

of the annual report with the financial statements pursuant to Article 23 (5) of Act No. 540/2007 Coll. on Auditors, Audit and Oversight of Audit

(Translation)

To the Shareholder, Supervisory Board, and Board of Directors of SFM Group, o.c.p., a. s.:

We have audited the financial statements of SFM Group, o.c.p., a. s. as at 31 December 2011, presented on pages 11 - 42 of the annual report. We have issued an independent auditors' report on the financial statements on 4 June 2012 with the following wording:

Independent Auditors' Report

To the Shareholder, Supervisory Board and Board of Directors of SFM Group, o.c.p., a. s.:

We have audited the accompanying financial statements of SFM Group, o.c.p., a. s. ("the Company"), which comprise the statement of financial position as at 31 December 2011, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management as represented by 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 management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' 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 assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, 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 management, 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 the Company as at 31 December 2011, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Other Matter

The Company changed its name from SFM Group, o.c.p., a. s. to Cornhill Management, o.c.p., a.s. on 1 April 2012.

4 June 2012
Bratislava, Slovak Republic

Auditing company:
KPMG Slovensko spol. s r.o.
License SKAU No. 96

Responsible auditor:
Ing. Richard Farkaš, PhD.
License SKAU No. 406

Report on the Audit of Consistency of the annual report with the financial statements

(Supplement to the auditors' report)

We have audited the consistency of the annual report with the financial statements in accordance with the Act on Accounting.

The accuracy of the annual report is the responsibility of the Bank's management. Our responsibility is to audit the consistency of the annual report with the financial statements, based on which we are required to issue an appendix to the auditors' report on the consistency of the annual report with the financial statements.

We conducted our audit in accordance with the International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the information presented in the annual report, subject to presentation in the financial statements, is consistent, in all material respects, with the relevant financial statements.

We have reviewed the consistency of the information presented in the annual report on pages with the information presented in the financial statements as at 31 December 2011. We have not audited any data or information other than the accounting information obtained from the financial statements and accounting books. We believe that the audit performed provides a sufficient and appropriate basis for our opinion.

In our opinion, the accounting information presented in the annual report is consistent, in all material respects, with the financial statements as at 31 December 2011, presented on pages 11 - 42 of the annual report.

26 July 2012
Bratislava, Slovak Republic

Auditing company:
KPMG Slovensko spol. s r. o.
License SKAU No. 96

Responsible auditor:
Ing. Richard Farkaš, PhD.
License SKAU No. 406

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The Art of Investment