The Art of Investment

ANNUAL REPORT

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

2012

CORNHILL MANAGEMENT

ANNUAL REPORT 2012

CONTENT

THE SPEECH OF THE MEMBER OF THE BOARD OF DIRECTORS

Dear Clients, Partners and Shareholders,

Although 2012 was marked by persistent global economic problems, on average, there were some slight increases at the financial markets. This fact together with lower fluctuation of markets, compared to previous years, pointed out to a move in investors´ thinking who again resumed their willingness to place and raise their means rather than to keep them in assets not exposed to the investment risk.

The company Cornhill Management experienced a record year from the point of view of a number of new clients especially in regular investment products. Moreover, we have started to cooperate with a plenty of fund platforms and companies and thus we can offer a wider spectrum of investment opportunities to clients. At the same time, several internal procedures and processes were successfully consolidated and the company achieved a substantial, almost 20% saving on administrative costs compared to the previous year. During 2012, the former Executive Manager left our company.

In spite of savings in the sphere of costs, the financial result of 2012 represents a slight loss which is compensated in a long-term perspective by profits from the previous years. Lower profits in the given year were caused by a temporary decrease of incomes from Luxembourg funds

I would like to thank both the employees and external partners of the company for their cooperation and I believe that in the years to come we will continue together in successful development.

Jakub Sýkora
Member of the Board of Directors

Jakub Sýkora
Member of the Board of Directors

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 2012:	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:	Cornhill Management, o.c.p., a.s. Aupark Tower, Einsteinova 24 851 01 Bratislava 0800 11 11 44 www.cornhillmanagement.eu bratislava@1cornhill.com

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

COMPANY 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. Successes are a collective victory for all of us.

SENIOR MANAGEMENT AND ORGANISATIONAL STRUCTURE

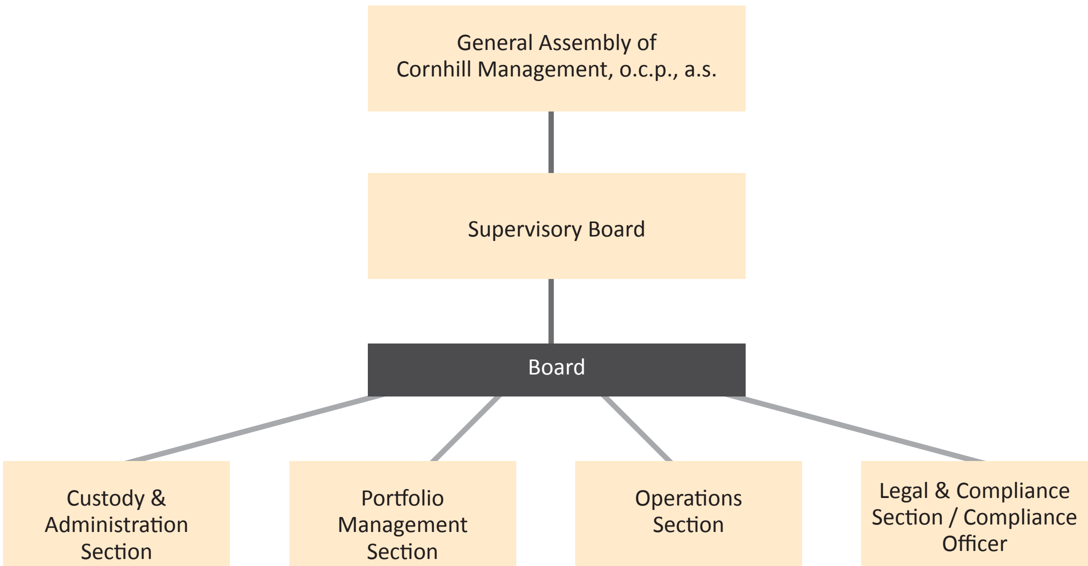
Board of Directors

Jakub Sýkora	Member of the Board of Directors

Supervisory Board

Derek Chambers
Jana Frňková
Daniel Petrakovič

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 2013

We do not expect that a more substantial improvement of clients´ attitudes towards risks arising from investing identical to the level we knew from the period before the beginning of global economic problems in 2008 would take place in 2013. Nevertheless, we count on continuation of slow increase of financial markets and also on exceeding the values from the period before the crisis in a lot of cases. We believe that this will represent an indication of a more radical improvement of the global economic situation. However, our company plans remain rather conservative and are focused on continuous building of an infrastructure, product basis and acquisition of new clients.

During the year, we plan two crucial product events: launching of a new series of regular investment products and acceptance of thousands of clients of the regular investment product Konto života which has been administered until now by Privatbanka. These significant steps should be seen in a further record increase of the number of new clients, although in case of Konto života, there are some administrative operations which we have already been performing for our clients for a long time.
Equally, we will gradually develop cooperation with fund companies and platforms, and at the same time, deepen cooperation with foreign institutional investors, especially with companies administering pension products. In compliance with the task of the company within the Cornhill Management group, we will continue in fulfilling of the task of administrative, legal and marketing provider of services within the group.

Following the consolidation of cost items, orientation on acquisition of new clients and introduction of new products, the main financial objectives of the company are a slight increase of revenues, year result in positive numbers and consolidation of debts.

PRODUCT RANGE

Cornhill Management, o.c.p. a.s. cooperated in 2012 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. WIOF offers 15 sub-funds. The management company and the investment manager of WIOF is Casa4Funds S.A. 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 Cornhill'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 Cornhill 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 Cornhill'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.

Lifestyle account (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 2012

- had on average 21 employees,
- had 0 newly recruited employees,
- had 5 employees that left,

In 2013, the average number of employees in the company is expected to be 22.

Employment structure in 2012

- the company employed: 47 % women, 53 % men,
- the average age of company employees was 33,
- 70% 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 2012.

Information on development and financial status

The company closed 2012 with a loss of 98,892 EUR.

Overview of financial results since 2009:

- 2011: net profit of 245,316EUR
- 2010: loss of 552,422 EUR
- 2009: net profit of 91,569 EUR

In 2012 the company had the following significant revenues:

- revenues linked to the “Lifestyle Account” product 1,122,632 EUR
- revenues from services provided within the WIOF fund 272421 EUR,
- revenues from services provided within the WPP fund 343,107 EUR,
- revenues from services provided within the WSP fund 289,884 EUR,
- revenues linked to the „Konto života„ product 139,579 EUR,
- revenues from investment services 369,472 EUR,
- revenues from investment mediation 200,895 EUR.

In 2012 the company incurred the following significant costs:

- personnel costs 573,312 EUR,
- office rental and related services 126,902 EUR,
- intermediary financial services commissions 1,306,313 EUR,
- marketing activities 170,021 EUR,
- IT services 31,778 EUR,

Equity share of total resources as of 31. 12. 2012 was 70%.

FINANCIAL INDICATORS OF THE COMPANY

1. Liquidity

- Immediate liquidity (recommended value 20 - 90%)

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

year 2012	year 2011	year 2010
16%	145%	271%

In 2012 the immediate liquidity dropped by 129 percentage points compared to previous year. It got below the recommended level due to the concentration of capital into financial assets and due to late payment for due receivables.

- Common liquidity (recommended value more than 100%)

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

year 2012	year 2011	year 2010
405%	855%	627%

The company's common liquidity dropped by 450 percentage points compared to 2011, it still highly exceeds the necessary value. The company is able to cover short-term liabilities with liquid funds and short-term receivables.

- Overall liquidity (recommended value 150 - 250%)
Overall liquidity is the ratio of circulating assets to short-term liabilities. It is sufficient if it is above 150%.

year 2012	year 2011	year 2010
405%	855%	627%

The company's overall liquidity decreased compared to 2011. Nevertheless, it still exceeds the sufficient value. The company will cover short-term liabilities with circulating assets.

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

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

year 2012	year 2011	year 2010
70%	84%	83%

In 2012 the level of self-financing dropped by 14 percentage points compared to previous year. Despite the decrease, the company has sufficient own equity to cover its needs.

3. Foreign to own equity ratio

	year 2012	year 2011	year 2010
foreign equity ratio (EUR)	661 979	361 279	425 352
own equity ratio (EUR)	1 569 904	1 889 566	2 094 250
share of foreign and own equity ratio in %	42%	19%	20%

In 2012 the foreign to own equity ratio in the company increased by 23 percentage point compared to previous year.

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

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

year 2012	year 2011	year 2010
237%	523%	492%

In 2012 the level of financial independence dropped significantly, by 286 percentage points compared to previous year. Despite significant decrease this indicator is still positive.

5. Gross debt in %

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

year 2012	year 2011	year 2010
30%	16%	17%

In 2012 the company's gross debt grew by 14 percentage points compared to 2011.

6. Cost intensity of revenues

year 2012	year 2011	year 2010
1,03	0,93	0,8

In 2012 the cost intensity indicator slightly increased compared to previous year.

Net profit or loss in 2012

The company's economic result for 2012 was a loss of EUR 98,891.83.

The loss of 2012 shall be divided as follows:

- part of the loss in the amount of EUR 83,531.17 shall be included with retained profits of 2006, 2007, 2008, 2010 and 2011,
- part in the amount of EUR 15,360.66 shall be recharged as undivided loss of previous years.

STATEMENT OF FINANCIAL POSITION

TO 31ST DECEMBER 2012

(In whole Euros)	31.12.2012	31.12.2011
Assets		
Cash and cash equivalents	87 550	369 129
Claims on clients	36 867	45 385
Financial assets at fair value are revalued through the income statement	495 695	771 313
Intangible assets	9 504	14 417
Tangible fixed assets	38 242	58 253
Loans granted	-	151 623
Income tax	37 024	52 367
Deferred tax assets	40 544	11 375
Other assets	1 486 457	776 983
Assets total	**2 231 883**	**2 250 845**
Liabilities		
Provisions	104 201	83 153
Other liabilities	557 778	278 126
Liabilities total	**661 979**	**361 279**
Equity		
Share capital	1 494 000	1 494 000
Reserve funds	91 265	66 733
Retained earnings	83 531	83 517
Profit for the reporting period	(98 892)	245 316
Equity total	**1 569 904**	**1 889 566**
Total liabilities and equity together	**2 231 883**	**2 250 845**

Financial statements which include the notes on pages 15 to 40 was signed on 25 March 2013.

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 2012

(In whole Euros)	Note	31.12.2012	31.12.2011
Income from fees and commissions	13	2 186 606	2 782 910
Expenses for fees and commissions	12	(1 526 434)	(1 404 187)
Net fee and commission revenue	**13**	**660 172**	**1 378 723**
Interest income and similiar income	14	5 390	11 353
Interest expense and similiar expense	14	(2 834)	(2 451)
Net interest income	**14**	**2 556**	**8 902**
Net (loss)/profit from financial instruments at fair value, revalued through profit and loss statement	15	(76 527)	(70 885)
Net (loss)/profit from operations with foreign exchange and assets and liabilities, valued in foreign currency	16	2 260	(32 961)
Net loss/profit from trading		**(74 267)**	**(103 846)**
Payroll costs	17	(573 312)	(721 423)
Depreciation of tangible and intengible property	17	(31 490)	(40 811)
Other administrative cost	17	(573 542)	(657 865)
Total administrative cost	**17**	**(1 178 344)**	**(1 420 099)**
Other operating costs	**18**	**(217 303)**	**(154 963)**
Other operating income	**18**	**786 790**	**623 125**
Costs for Creation of provisions for other assets		(104 796)	(16 859)
Profit before tax		**(125 192)**	**314 983**
Deferred income tax	9	29 169	10 120
Income tax	19	(2 869)	(79 787)
Profit after tax		**(98 892)**	**245 316**
Other parts of comprehensive result		-	-
Total comprehensive income for the year		**(98 892)**	**245 316**

Financial statements which include the notes on pages 15 to 40 was signed on 25 March 2013.

Signature of statutory body

Signature of person responsible for preparation of financial statements

Signature of the person responsible for accounting

STATEMENT OF CHANGES IN EQUITY

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

Item	Registered capital EUR	Reserve funds EUR	Funds from valuation EUR	Retained earnings EUR	Total EUR
Closing balance as of December 31, 2010	1,494,000	11,491	-	588,759	2,094,250
Profit in 2011	**-**	**-**	**-**	**245,316**	**-**
Division of profit		55,242		(55,242)	
Dividend distribution				(450,000)	(450,000)
Closing balance as of December 31, 2011	**1,494,000**	**66,733**	**-**	**328,833**	**1,889,566**
Loss in 2012	-	-	-	(98,892)	(98,892)
Division of profit	-	24,532	-	(24,532)	-
Dividend distribution	-	-	-	(220,770)	(220,770)
Closing balance as of December 31, 2012	**1,494,000**	**91,265**	**-**	**(15,361)**	**1,569,904**

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.

Earnings reported by the company in 2011 - after-tax profit of 245 316 EUR will be based on the decision of the General Assembly held on 29.06.2012 divided as follows:

- part of 24 532 EUR to supplement reserve funds
- part of 14 EUR was reclassified as retained earnings from previous years
- the remaining part of 220 770 EUR for the payment of dividends to shareholders.

STATEMENT OF CASH FLOWS

TO 31/12/2012

	2012	2011
Cash flow from operating activities		
Profit or loss for accounting period before tax	(125,192)	314,983
Adjustments by non-monetary operations		
Depreciations	31,490	40,811
Change in reserves	21,048	60,406
Profit/loss from sale of capital assets	(1,200)	
Profit or loss from operations with foreign currency and with assets and liabilities valued in foreign currency	(2,260)	32,961
Revaluation of financial assets in real value revalued through profit and loss account	76,527	70,885
Impairment of assets value	104,796	16,859
Interest recorded under expenses	2,834	2,451
Interest recorded under income	(5,390)	(11,353)
Change in receivables against clients	8,518	(26,663)
Change in trading securities	199,091	(381,339)
Change in receivables against banks	-	500,000
Loans provided	150,000	(150,000)
Change in other assets and other tax receivables		
	(810,507)	93,471
Increase in the balance of liabilities	288,544	(15,073)
Change in reserves		(2,011)
Interest paid	(2,834)	(2,451)
Accepted interest	5,510	9,730
Returned tax/Paid tax	12,474	(262,391)
Net cash flow from operating activities	**(46,551)**	**291,276**
Cash flow from investment activities		
Purchase of intangible and tangible assets	(6,566)	(67,511)
Income from sale of intangible and tangible assets	1,200	10,000
Sale of securities for sale	-	-
Net cash flow from investment activities	**(5,366)**	**(57,511)**
Cash flow from financial activities		
Instalments for finance lease		(11,309)
Change in loans	(8,892)	34,151
Dividends paid	(220,770)	(450,000)
Net cash flow from financial activities	**(229,662)**	**(427,158)**
Cash and cash equivalents increase (decrease)	(281,579)	(193,393)
Cash and cash equivalent at the beginning of the year	369,129	562,522
Cash and cash equivalent at the end of the year	**87,550**	**369,129**

Notes on pages 15 to 40 represent a part of this Financial Statement.

FINANCIAL STATEMENTS

1. General information

Cornhill Management, o.c.p., a.s. was established on 03.08.1999 and was registered in to the Commercial Register on 09.03.1999 (Commercial Register of District Court Bratislava in Bratislava I, Section Sa, File No. 4532 / B). Company Identification Number (ID) is 35771801, tax identification number (TIN) is 2020275587.

The main activities of the Company

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

- receipt and transmission of client orders on one or more financial instruments in relation to financial instruments,
- Execution of orders on behalf of clients in relation to 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 31.12.2012 is as regular financial statements in accordance with Slovak law, § 17 par. No. 6 of Act No. 431/2002 Accounting Act, for the period from 1.1.2012 to 31.12.2012.

Date of approval of financial statements for the previous reporting period

Financial statement of the company to 31.12.2011, for the previous reporting period, was approved by general Assembly on 29.6.2012.

Members of the statutory and the supervisory authority of the Company

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

Information about the consolidated entity

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

Structure of owners

The sole shareholder of the company is SFM Group International S.A. with address of the company 10 rue Mambra, L-8246 Mamer, Luxembourg.

The state to 31.12.2012	Share on fixed assets		Voting rights
	in EUR (rounding)	%	%
SFM Group International S.A.	1 494 000	100	100
Total	**1 494 000**	**100**	**100**

2. Accounting principles and methods that were used:

The Financial statements of the Company ("Financial Statements") for the year ended 31 of December 2012 has been prepared in accordance with International Financial Reporting Standards (hereinafter "IFRS") as adopted by the European Union and the Act No. 431/2002 of Slovak law on accounting as amended.

The Financial statements include at least a one comparable period.

Basis of preparation of financial statements

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

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

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

Significant accounting estimates

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

Significant areas with requiring of subjective judgment:

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

Cash and cash equivalents

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

Foreign currency

Company's functional currency is the euro currency.

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

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

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

Financial assets

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

The settlement date is the date on which the asset is delivering to an entity or asset which is supplied by the entity.
Settlement date accounting means:

- Recognition as an asset on the date of its receipt by the entity and
- Derecognizing of assets and recognition of any profits or loss on disposal on the date of an entity and its delivery.

Company accounts any change in the fair value of assets to be taken in the period from the date of the trade settlement date in the same manner as accounts for asset acquisition. For assets classified as financial assets at fair value through profit and loss statement, the change in value recognized in profit, and with respect to assets classified as available for sale, the change is recognized in equity.

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

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

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

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

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

to 31.12.2012

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

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**	

Reserves

Reserve is a liability of uncertain timing or amount.

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

The legal obligation is an obligation that derives from:

- Contract (through its explicit or implicit terms);
- Legislation terms or
- Other legal acts.

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

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

Reserves and other liabilities

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

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

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

The best estimate

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

The impairment of property

Identification of impaired assets

The company has each date on which the financial statements 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 transportation of property to a destination and in a state in which it is capable of operation, by method determinate by management,
- Initial estimate of the cost of dismantling and removing the item and to rebuilt the place of its location to its original state, which is an obligation for entity starting either by the acquisition of items of property or as a result of its use during a particular period for other purposes than to produce inventories during this period.

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

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

Depreciation is recognized even if the fair value of the property exceeds its accounts value but only if its residual value does not exceed its book value. Repairs and maintenance do not exclude the need to depreciate the property. Depreciable asset value is determined after deduction of its residual value. In practice, the residual value of assets is often insignificant and therefore not relevant in calculating the depreciable value.
The residual value of property may be increased to an amount equal to its accounting value or higher. In this case, the depreciation expense of assets is zero except in case until its residual value subsequently reduced to an amount less than the book value of assets.

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

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

The useful life of property is determined according to the expected utilization of property for the company. The principles of asset management of Company may involve its disposal after a specified time or after consumption of a 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 in the month, when the inclusion of intangible property was put in use, thus it becomes property ready for its intended use. An intangible property is considered property valued at more than 2 400 EUR a useful life is longer than one year, as well as intangible property also include assets valued at less than 2 400 EUR and more than 450 EUR and useful life is longer than one year. The property where value is less than 450 EUR and useful life is shorter than one year is accounted only once as a cost. Estimated useful life, depreciation method and depreciation rate are shown below:

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

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

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

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

Lease

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

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

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

Finance lease

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

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

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

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

Deferred tax

Deferred tax assets are the amounts of income taxes refundable in future periods in connection with:
- Deductible temporary differences (temporary differences)
- Unused tax losses transferred from previous years and
- Unused tax relief transferred from previous years.

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

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

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

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

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

Cost, revenues and accruals

Costs and revenues are always charged in the period to which they relate. Correction of significant errors of the previous accounting period are always charged to retained earnings from previous years or retained loss from previous years.

The criteria for charging of accrual cases is that we know their factual content, the amount and period to which they relate. The accounting unit follows the accrual expenses and revenues on a monthly basis.

Property of clients

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

Assets in the portfolio, submitted for management, is 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 31.12.2012 and could have been used for the preparation of these financial statements:

- Amendment to IFRS 7 Disclosures – Offsetting Financial Assets and Financial Liabilities – Effective for annual periods beginning on or after January, 2013 and continuous accounting periods within these accounting periods; they are applied retrospectively.
- Amendment to IAS 32 – Offsetting Financial Assets and Financial Liabilities – Effective for annual periods beginning on or after January 1, 2014; they are applied retrospectively. Earlier application is possible, however additional information required by the changes in IFRS 7 Disclosures – Offsetting Financial Assets and Financial Liabilities shall be disclosed.

3. Cash and cash equivalents

Cash and cash equivalents	**31. 12. 2012**	**31. 12. 2011**
Cash in the Treasury	7 172	6 816
Current accounts in banks (with paymnet period to 3 months)	80 378	362 313
Together	**87 550**	**369 129**

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

4. Claims to clients

Claims to clients	31. 12. 2012	31. 12. 2011
Claims to clients - Slovak republic	1 992	3 107
Claims to clients - Czech republic	22 329	25 562
Claims to clients- Great Britain	12 458	16 632
Claims to clients - Poland	88	84
Total	**36 867**	**45 385**

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

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

Trading securities	ISIN	31.12.2012	31.12.2011
Zmenka Advisor Services International, s.a.r.l.		194 754	-
Central & Eastern Europe Real Estate Fund	MT0000076423	256 958	349 557
WIOF Emerging Europe Perform. Fund I.	LU0494361149	-	105 163
WSF - RELIANCE GLOBAL CLASS I.	GG00B4Q85X38	41 264	180 029
WSF - ASIAN PACIFIC CLASS I.	GG00B4LF6141	-	136 564
WSP Global Strategy Alpha Portfolio B GBP	LU0836480318	1 207	
WSP Global Strategy Alpha Portfoloi A USD	LU0858365520	756	
WSP Global Strategy Alpha Portfolio B USD	LU0836480409	756	
Total		**495 695**	**771 313**

Central & Eastern Europe Real Estate Fund

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

WIOF Emerging Europe Performance Fund - Class I

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

WSF 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 in the economic sectors and they are listed on a recognized stock exchange.

WSF Asian Pacific Shariah Growth Fund - USD Class I

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

6. Non-current intangible assets

The movements of intangible property from 1.1.2011 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

The movements of intangible property from 1.1.2012 to 31.12.2012

Type		Purchase price	Adjustments and impairment	Net book value
Intangible property	**1.1.2012**	**29 078**	**14 661**	**16 236**
	+ increase	**2 016**	**6 929**	
	- decrease			
	+/- transfer	**-**		
	31.12.2012	**31 094**	**21 590**	**9 504**
Software and other intangible property	1.1.2012	29 078	14 661	14 417
	+ increase	2 016	6 929	
	- decrease	-	-	
	+/- transfer	-	-	
	31.12.2012	31 094	21 590	9 504

7. Non-current tangible assets

Movements of fixed assets from 1.1.2011 to 31.12.2011:

Type		Purchase price	Adjustments and impairment	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	14 337	6 011
Acquired tangible assets	**1.1.2011**	**-**	**-**	**-**
	+ increase	**-**	**-**	
	- decrease	**-**	**-**	
	+/- transfer	**-**	**-**	
	31.12.2011	**-**	**-**	**-**

Movements of fixed assets from 1.1.2012 to 31.12.2012:

Type		Purchase price	Adjustments	Residual value
Non-current tangible assets	**1.1.2012**	**203 653**	**145 400**	**58 253**
	+ increase	**4 550**	**24 561**	
	- decrease	**20 128**	**20 128**	
	+/- transfer	**-**	**-**	
	31.12.2012	**188 075**	**149 833**	**38 242**
Machines and equipment	1.1.2012	62 639	45 014	17 625
	+increase	4 550	10 356	
	- decrease	-	-	
	+/- transfer	-	-	
	31.12.2012	67 189	55 370	11 819
Vehicles	1.1.2012	81 370	50 330	31 040
	+ increase	-	9 084	
	- decrease	20 128	20 128	
	+/- transfer	-	-	
	31.12.2012	61 242	39 286	21 956
Inventory	1.1.2012	39 296	35 719	3 577
	+ increase	-	1 051	
	- decrease	-	-	
	+/- transfer	-	-	
	31.12.2012	39 296	36 770	2 526
Other fixed assets	1.1.2012	20 348	14 337	6 011
	+ increase	-	4 070	
	- decrease	-	-	
	+/- transfer	-	-	
	31.12.2012	20 348	18 407	1 941

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

The company owns 2 personal vehicles in the acquisition value of EUR 36,339 (remaining value as of December 31, 2012 is 21 956 EUR) which are in the possession of the finance company based on the contract on the security transfer of ownership right.

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

8. Granted loans

Granted loans	31.12.2012	31.12.2011
Granted loans	-	150 000
Interest from loans	-	1 623
Granted loans together	**-**	**151 623**

The company did not provide any loan in 2012.

9. Tax claims

Tax claims	31.12.2012	31.12.2011
Income tax	37 024	52 367
Tax claims together	**37 024**	**52 367**

The company incurred tax overpayment for 2012 .

Deferred tax liability

The calculation of deferred tax has been made with the tax rate applicable for 2012 which is 23 %.

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

Deferred Tax	31.12.2012	31.12.2011
Temporary differences between the accounting value of assets and liabilities and their tax base		
– deductible (tangible fixed assets)	10 607	7 555
– deductible (reserve for clients bonuses)	81 695	52 314
– deductible (provisions not included into the tax base)	83 978	
Temporary differences together	**176 280**	**59 869**
Income tax (in %)	23%	19%
Deferred tax receivable in 19 %	33 493	
Deferred tax receivable in 23 %	40 544	
Difference between the income tax rate of 19 % and 23 %	7 051	
Deferred tax liability	**40 544**	**11 375**

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 31.12.2012	40 544
Value to 31.12.2011	11 375
Change	29 169

10. Other assets

Other assets	31.12.2012	31.12.2011
Various debtors	**1 410 374**	**739 391**
Deterred expanses	33 491	31 239
Long term advance payments	21 643	21 770
Short term advance payments	131	126
Deferred income	142 292	1 137
Resources	157	179
Motor vehicle tax	25	
Other assets before adjustments	**1 608 113**	**793 842**
Decreased value of assets (provisions)	121 656	16 859
Other assets together	**1 486 457**	**776 983**

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

The age structure of various debtors to 31.12.2012 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	Together
471 474	199 612	219 372	291 679	52 539	175 698	1 410 374

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

Costs for future periods	31. 12. 2012	31. 12. 2011
Deferred expanses - Rent	29 719	29 002
Insurance	2 246	596
Software updates	136	136
Other	1 390	1 505
Together	**33 491**	**31 239**

Long term advance payments are rent payments paid in advance.

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

The company has no interest in assets after payment.

Creation of adjusting (corrected) entries

Throughout the year ending 31.12.2012 company has created adjusted (corrected) entries in the sum of 104 797EUR (2011: 16 859 EUR). A provision was created on the receivables against various debtors. Identified impairment was on the receivables against debtors which were overdue for more than 365 days.

11. Provisions

Provisions	to 31. 12.2011	Creation	usage	Cancelation	to 31.12.2012
Long-term provisions due over 5 years					
Provisions for clients´benefits	**52 314**	**29 381**	-	-	**81 695**
	52 314	**29 381**	-	-	**81 695**
Short-term provisions due over 1 year					
Payroll for holiday period + social coverage	21 569	19 086	16 264	5 305	19 086
Audit	9 000	3 150	9 000	-	3 150
Others	270	270	210	60	270
Total short-term provisions	**30 839**	**22 506**	**25 474**	**5 365**	**22 506**
Together	**83 153**	**51 887**	**25 474**	**5 365**	**104 201**

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.

12. Other liabilities

Other liabilities	31.12.2012	31.12.2011
Various creditors	484 900	144 807
Liabilities to clients	-	3 650
Leasing liabilities	25 260	34 152
Liabilities to employees	24 734	31 426
Liabilities against Social insurance company and health insurance companies	13 121	18 234
Costs for future periods	1 399	18 052
Social fund	1 730	5 309
Value added tax	2 250	16 393
Tax from dependent activities	4 384	6 077
Other taxes and fees	-	26
Other liabilities together	**557 778**	**275 865**

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

Liabilities as of December 31, 2012 according to remaining due date

Other liabilities according to remaining due date	Up to 1 year	more than 1 year	
Various creditors	484 900		484 900
Liabilities from provided loans (car loans)	**9 765**	**15 495**	**25 260**
Liabilities against employees	24 734		24 734
Liabilities against Social Insurance and health insurance companies	13 121		13 121
Prepaid expenses	1 399		1 399
Social Fund		1 730	1 730
Tax obligation on value added tax	2 250		2 250
Tax on dependent activity	4 384		4 384
Other taxes and fees			-
Total other liabilities	**540 553**	**17 225**	**557 778**

Age structure of various creditors as of December 31, 2012 is included in the following overview

Various creditors		
due	overdue	Together
399 943	**84 957**	**484 900**

All other liabilities are due in time.

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

Social fund	31.12.2012	31.12.2011
Value to Jannuary 1st	5 309	4 274
Created against expenses	**2 404**	**2 930**
Usage	(5 983)	(1 895)
Status	**1 730**	**5 309**

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

The statement of client assets

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

Item	31.12.2012	31.12.2011
Clients' assets		
Clients' funds	1 029 874	255 218
Securities	11 620 587	5 152 846
Claims of client against the market	193 984	95 730
Clients' assets together	**12 844 445**	**5 503 794**
Liabilities to clients of entrusted property		
Liabilities to clients' funds	1 029 874	255 218
Liabilities to securities (portfolio management)	7 362 518	4 699 898
Liabilities from securities rating (custodianship)	4 452 053	548 678
Liabilities to clients of entrusted property together	**12 844 445**	**5 503 794**

13. Net income from fees and commissions

	31.12.2012	31.12.2011
Income from fees and commissions	**2 186 606**	**2 782 910**
Management of financial services	467 689	1 202 630
Portfolio management	369 472	302 248
Investment consultation	90 400	
Other financial services	1 259 045	1 278 032
Costs of fees and commissions	**(1 526 434)**	**(1 404 187)**
Commissions for management of financial services	(1 306 313)	(1 318 170)
Client bonuses	(31 117)	(56 076)
Other	(189 004)	(29 941)
Net income from fees and commissions	**660 172**	**1 378 723**

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

Period	31.12.2012					31.12.2011			
Type of service	**Management of financial services**	**Portfolio management**	**Investment consultation**	**Other financial services**	**Together**	**Management of financial services**	**Portfolio management**	**Other financial services**	**Together**
Slovakia	859	47 450		0	48 309	3 521	40 480	-	44 001
Luxemburg	423 368	-	90 400	1 259 045	1 772 813	766 113	-	1 278 032	2 044 145
Czech republic	-	202 707		0	202 707	-	180 164	-	180 164
UNITED KINGDOM	-	118 266		-	118 266	337 104	80 781	-	417 885
Cyprus	31 893								
Guernsey	11 569	-		-	11 569	95 892	-	-	95 892
Poland	-	1 049		-	1 049	-	823	-	823
Together	467 689	369 472	90 400	1 259 045	2 186 606	1 202 630	302 248	1 278 032	2 782 910

14. Net interest income

	31.12.2012	31.12.2011
Interest income and similar incomes	**5 390**	**11 353**
Interest from bank accounts and bank deposits	168	9 730
Interest from debt financial instruments	1 503	-
Loan interests	3 719	1 623
Interest cost and similar cost	(2 834)	(2 451)
Debit interest from bank accounts	-	(25)
Interest from financial loan	(2 834)	(2 426)
Net interest income	2 556	8 902

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

	Profit 31.12.2012	Loss 31.12.2012	Net loss 31.12.2012	Profit 31.12.2011	Loss 31.12.2011	Net loss 31.12.2011
Net profit (loss) from financial instruments in real value calculated through profit and loss statement	117 338	193 865	(76 527)	332 256	403 141	(70 885)
Together	**117 338**	**193 865**	**(76 527)**	**332 256**	**403 141**	**(70 885)**

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

	Profit 31.12.2012	Loss 31.12.2012	Net loss to 31.12.2012	Profit 31.12.2011	Loss 31.12.2011	Net loss to 31.12.2011
Net loss from operations with foreign exchange and assets and liabilities valued in foreign currency	94 242	91 982	2 260	145 023	177 984	(32 961)
Together	**94 242**	**91 982**	**2 260**	**145 023**	**177 984**	**(32 961)**

17. Administrative costs

	31.12.2012	31.12.2011
Payroll costs	**(573 312)**	**(721 423)**
Payroll costs	(434 708)	(537 890)
Social security costs	(124 692)	(163 517)
Other social costs	(13 912)	(20 016)
Amortization of tangible and intangible assets	**(31 490)**	**(40 811)**
Tangible fixed assets	(24 561)	(34 372)
Intangible Assets	(6 929)	(6 439)
Other administrative costs	**(573 542)**	**(657 865)**
Material usage	(11 457)	(25 333)
Car usage (petrol , material for cars)	(16 838)	(22 652)
Representation expenses	(21 058)	(40 514)
Post and delivery services	(26 172)	(76 808)
Phones and internet	(28 412)	(32 834)
Rental of premises	(116 509)	(120 204)
Translation services	(20 834)	(9 523)
Computer services	(31 778)	(51 989)
Trainings	(4 142)	(24 059)
Tax and fees (except the income tax)	(3 366)	(2 805)
Marketing activities	(170 022)	(59 125)
Law consultancy	(23 768)	(77 018)

Software services	(3 245)	(8 031)
Personal agencies	-	(23 700)
Audit	(12 789)	(15 189)
Other administrative costs	(83 152)	(68 081)
Together	**(1 178 344)**	**(1 420 099)**

18. Other operational income / expenses

	31.12.2012	31.12.2011
Other operational costs	**(217 303)**	**(154 963)**
Not applicable VAT (coefficient)	(116 322)	(106 941)
Insurance	(6 179)	(8 457)
Other	(94 802)	(39 565)
Other operational income	**786 790**	**623 125**
Operational income	785 321	610 261
Income from selling assets	1 200	10 000
Income from asset cancelation or lowering the value	-	-
Other	269	2 864

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

19. Income tax

Income Tax	Corporate tax base 2012	Tax 19% 2012	Corporate tax base 2011	Tax 19% 2011
Profit before taxation	(125 192)	(23 786)	314 983	59 847
Deductible items	(2 537)	(482)	(4 662)	(886)
Attributable/added items	142 830	27 138	109 610	20 826
Tax loss amortization	-	-	-	-
	15 101	2 869	419 931	79 787
Deferred tax		(29 169)		(10 120)
Income tax all		(26 300)		69 667
Effective tax rate	21,01%		22,12%	

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

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

Gross income of members of the statutory and supervisory bodies arising from their labour relations		
Board of Directors	3 600	45 730
Board of Supervisors	34 925	44 715
Together	**38 525**	**90 445**

21. Transactions with related parties

Mother company and the only shareholder of the company is SFM Group International SA Head office is 10 rue Mambra, L-8246 Mamer, Luxembourg.

a) Shareholder

Summary of balances to shareholders in the statement of financial situation

(in Euro)	31.12.2012	31.12.2011
Assets		
Provided Loans	-	151 623
Other Assets	148 362	139 656
Together	**148 362**	**291 279**

The company has created throughout the year a correction allowance for receivables from SFM International SA in the amount of 10 865 Euros.

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

(in Euro)	31.12.2012	31.12.2011
Income from interests and similar earnings	3 719	1 623
Income from fees and commissions	75 194	57 254
Together	**78 913**	**58 877**

b) Other related parties

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

(in Euro)	31.12.2012	31.12.2011
Assets		
Financial assets with real value calculated through profit and loss	238 737	421 756
Other assets	1 128 897	548 085
Together	**1 367 634**	**969 841**
Liabiities		
Other liabilities	18 223	18 134
Together	**18 223**	**18 134**

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

(in Euro)	31.12.2012	31.12.2011
Income from fees and commissions	1 734 126	2 082 784
Costs of fees and commissions	(183 169)	(61 873)
Other operational costs	(94 410)	(38 727)
Other operational incomes	503 062	430 302
Together	**1 959 609**	**2 412 486**

The company has created throughout the year a correction allowance for receivables from other related parties in the amount of 110 791 euros.

22. The accurate values in accounting and reporting

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

The estimated accurate values of financial assets and liabilities as of 31.12.2012 and 31.12.2011 correspond with their accounting value.

23. Average number of employees

Avarage number of employees	31.12.2012	31.12.2011
Avarage numberr of employees	21	26
Managers	4	6

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

After 31.12.2012 there were no facts that have a significant effect on the fair presentation of facts which are the subject of accounting.

25. Distribution of profit from 2011

Profit distribution	
Reserve fund	24 532
Dividends	220 770
Retained earnings from previous years	14
Profit for the period of 2011	245 316

26. Proposal for distribution of loss from 2012

Proposal for distribution of loss from 2012	
Retained losses from previous years	(98 892)
Loss for the period of 2012	**(98 892)**

27. Earning/loss per one share

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

Earning/ loss per one share	31.12.2012	31.12.2011
Profit/ loss for the reported period	**(98 892)**	**245 316**
Average of shares during the year	4 500	4 500
Earning/ loss per one share	**(22)**	**55**

28. Risk control in the company.

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

The Company's risk management is carried out in accordance with the Act. 566/2001 on securities 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 means of early identification, tracking, measurement and mitigation of risks. This system also serves as a basis for informing the board of company and the National Bank of Slovakia about current risk situation.

The main objective of risk management is to prevent own losses and thereby contribute to ensuring the achievement of long-term business goals of the company, mainly to ensure profitability and competitiveness.
The company is obliged to comply with the regulatory requirements of the NBS. These include limits and restrictions on capital adequacy and asset engagements. These requirements apply to all investment firms in Slovakia and their implementation is designed based on the reports that the company submits in accordance with the regulations.

The company defines and identifies the risks in this areas:

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

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

Risk Management Strategy

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

Credit risk management strategy 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 exposes the company to market risk,
- methods for measuring, monitoring and mitigating market risk,
- types of limits which the company will use for market risk management,
- sharing responsibility for managing market risk
- guidelines for classifying positions into the trading book.

Operational risk management strategy of the Company is:

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

Credit Risk

Credit Risk Management

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 give possibility to credit risk and in particular:

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

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

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

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

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

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

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

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

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

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

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

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

Overview of exposures numbers is shown in the table below:

Overview of the exposure values	Value of exposure to 31.12.2012 (in euro)
Exposures towards institutions	80 378
Exposures to companies	1 526 976
Other exposures	75 108
Together	**1 682 462**

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

Risk value	**Exposure value to 31.12.2012 (in Euro)**
risk value 20 %	80 378
risk value 100 %	1 602 084
Together	**1 682 462**

Market risk

Managing of market risk

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

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

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

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

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

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

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

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

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

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

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

Requirements for basic own funds to 31.12.2011	(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
The own funds requirement for covering capital risk	**66**

Own funds together to 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 be used in cases of covering risk situations if occurs	67
Undistributed profit from previous years except of 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

Requirements for basic own funds to 31.12.2012	(in thousands of EUR)
Requirements for basic own funds	**534**
Calculation of credit risk with standard method	**129**
Calculation of long-term exposures to institutions	1
Calculation of short-term exposures to institutions, companies and entrepreneurs	105
Calculation of other items	23
Calculation with simple approach	**154**
Value of bond financial instruments	20
Value of risk capital instruments	96
Value of foreign exchange risk	38
The own funds requirement for covering the risk of assets engagement of a trade book	**119**
The own funds requirement for covering capital risk	**132**
Calculation of the basic indicator approach	132

Own funds together to 31.12.2012	(in thousands of EUR)
Basic own funds	**1 561**
Share capital	1 494
Used funds and other	67
Items generating the value of core capital	1 669
Payable share capital	1 494
Reserve funds and other funds created from profit after taxes to be used in cases of covering risk situations if occurs	91
Undistributed profit from previous years except of future profit from securitized assets allowing lower credit risk in securitized positions	84
Items lowering the value of basic own funds	108
Net accounting value of policy statement	9
Loss for the reported period	99

Company for the period 2012 and 2011, met all requirements for the capital coverage according to regulation by National Bank of Slovakia from March 13th 2007 (Regulation of capital coverage of banks and securities dealers - further mentioned as "Regulation").

Foreign exchange risk

Financial assets and financial liabilities in foreign currency had the following structure (calculated to 31.12.2012)

Assets and liabilities in foreign currency	CZK	Pounds	Polish Zloty	American dollar	Other	EURO	Together
Assets							
Cash and cash equivalents	751	2 416	79	19 052	217	65 035	87 550
Claims towards clients	22 329	1 892	89	9 116	-	3 441	36 867
Financial assets in real value calculated through profit and loss	-	1 207	-	42 776	-	451 712	495 695
Income tax	-	-	-	-	-	37 024	37 024
Deferred tax assets	-	-	-	-	-	40 544	40 544
Other assets	286 336	70 906	1 002	370 410	-	757 802	1 486 457
Together	**309 416**	**76 421**	**1 170**	**441 354**	**217**	**1 355 558**	**2 184 137**
Liabilities							
Provisions	-	-	-	-	-	104 201	104 201
Liabilities - other	46 842	13 348	14	292 405	-	205 169	557 778
Together	**46 842**	**13 348**	**14**	**292 405**	**-**	**309 370**	**661 979**

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 profit 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
Together	**60 457**	**8 993**	**420**	**9 666**	**-**	**281 743**	**361 279**

Liquidity Risk

Distribution of balance sheet assets and liabilities into time bands according to maturity of December 31, 2012

Distribution of balance sheet assets and liabilities into time bands according to maturity of December 31, 2012 (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	87 550	-	-	-	-	87 550
Claims to clients	36 867	-	-	-	-	36 867
Financial assets in real value calculated through profit and loss	300 941	-	194 754	-	-	495 695
Long term intangible assets	-	-	-	-	9 504	9 504
Long term tangible assets	-	-	-	-	38 242	38 242
Income tax	-	37 024	-	-	-	37 024
Deferred tax assets	-	-	-		40 544	40 544
Other Assets	1 464 814	-	-	-	21 643	1 486 457
Assets together	**1 890 172**	**37 024**	**194 754**	**-**	**109 933**	**2 231 883**
Provisions	-	-	-	-	104 201	104 201
Other liabilities	557 778	-	-	-	-	557 778
Liabilities together	**557 778**	**-**	**-**	**-**	**104 201**	**661 979**

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

Distribution of balance sheet assets and liabilities into time bands according to maturity 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
Assets together	**1 908 359**	**85 048**	**151 623**	**1 435**	**104 380**	**2 250 845**
Provisions	-	-	-	-	73 883	73 883
Other liabilities	287 396	-	-	-	-	287 396
Liabilities together	**287 396**	**-**	**-**	**-**	**73 883**	**361 279**

Operational risk

Operational risk management

The Identification of operational risk is set in :

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

For managing operational risk identification include:

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

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

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

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

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

The estimate of operational risk can be particularly seen in :

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

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

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

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

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

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

For purposes of calculating the operational risk, company has decided to use the basic indicator approach.

Based on the statement of profit and loss account the Company's relevant indicator is calculated as the sum of the items listed in the table. The sum is included in each item

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

The financial statements have been prepared and signed on 25 March 2013.

Signature of statutory body

Signature of person responsible for preparation of financial statements

Signature of the person responsible for accounting

Report of the Independent Auditor

to shareholders of Cornhill Management, o.c.p., a.s. :

We have audited the accompanying financial statements of Cornhill Management, o.c.p., a.s., seated at Mickiewiczova 2, 811 07 Bratislava (hereinafter only the "Company") comprising the statement of financial position as of 31 December 2012, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year ending 31 December 2012 and the notes comprising summary of significant accounting policies and accounting methods and other explanatory information.

The statutory body's responsibility for the financial statements
The statutory body is responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards as adopted by the European Union and for internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures recognised in the financial statements. The selected procedures depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the statutory body, as well as evaluating the overall presentation of the financial statements.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements present fairly, in all material respects, the financial position of Cornhill Management, o.c.p., a.s. as of 31 December 2012, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Bratislava, 29 April 2013

E.R. Audit, spol. s r.o.
Gagarinova 7/b, 821 03 Bratislava
Comercial register of District Court
Bratislava I, Section: Sro, Insert No.: 11217/B
SKAU licence No. 114

Ing. Beata Rusová
Responsible auditor
SKAU licence No. 499

The Art of Investment

CORNHILL
MANAGEMENT

www.1cornhill.com

Cornhill Management, o.c.p., a.s. , Aupark Tower, Einsteinova 24, 851 01 Bratislava
Bezplatná infolinka: 0800 11 11 44