

The Art of
Investment



ANNUAL REPORT

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

2013





ANNUAL REPORT **2013**



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THE SPEECH OF THE MEMBER OF THE BOARD OF DIRECTORS

Year 2013 met our expectation in basically all parameters. Generally, financial markets recorded above-average performance, while an increased prudence of investors was apparent, resulting from the recent experience with global financial and economic problems. Sadly, the same scenario will probably repeat, when retail investors, who are our key target group, will find courage to invest more massively not sooner than at the moment when markets will head toward another negative cyclic phase.

Over the last years, the company Cornhill Management has been working on building of such a position and internal adjustment which could help her best adapt to different developmental phases of the surrounding economic environment. Planned goals were thus fulfilled in 2013. We launched a new regular investment product as well as different alternatives of short-term products. We further developed cooperation with foreign investors, especially companies managing pension products. We significantly improved on-line access for our clients and launched other new services. Not only thanks to accepting the clients' stock of Konto života, we ended the year with a record increase of both the number of new concluded contracts and assets under management.

The financial result of the year is a moderate profit according to the plan. Significant turnover increase is related to the increase of the number of new clients. Significant increase of administrative costs was also avoided thanks to long-term contracts with some entities.

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



Jakub Sýkora
Member of the Board of
Directors

A handwritten signature in black ink, appearing to read 'Jakub Sýkora'. The signature is fluid and cursive, with a large initial 'J' and 'S'.

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: <ol style="list-style-type: none">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 2013:	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.

SENIOR MANAGEMENT AND ORGANISATIONAL STRUCTURE

Board of Directors

Jakub Sýkora

Member of the Board of Directors

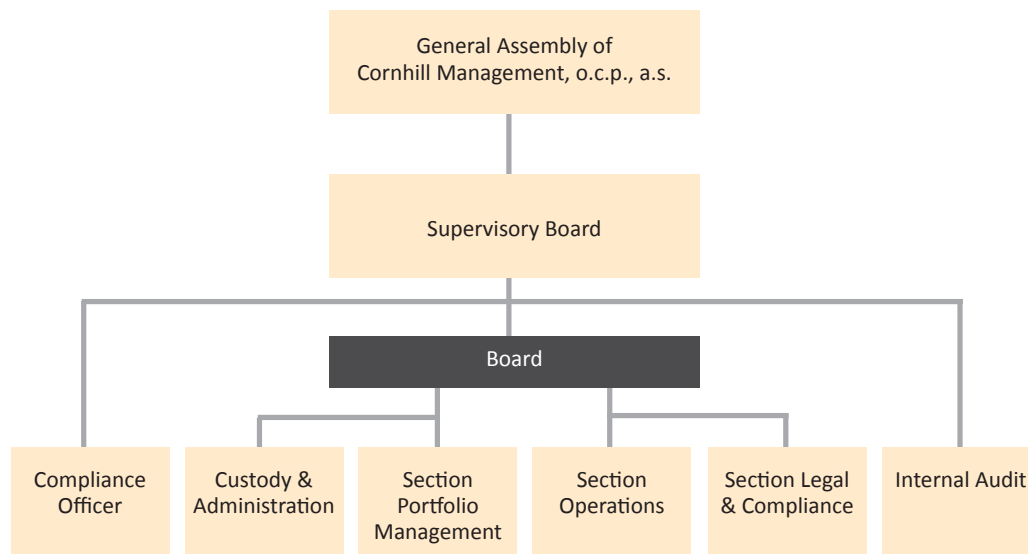
Supervisory Board

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 2014

The year 2014, especially its first half, is seen very positively not only regarding global economic development but also financial markets. We believe that governments and central banks maintain in force measures supporting growth, thus ensuring stable environment for consolidation and development. Political risks at places where local tension and conflicts can grow into a greater crisis which could affect our international business model are perceived in an increased extent.

We expect a continual growth of the number of new clients, especially regular investors, and continuing of investment inflow from pension products administrators. Year 2014 should be another record year, with the sum of assets under management and target sums of regular investments expectedly achieving almost half a billion euros. We would like to launch another alternative of regular investment product and expand our activities as a provider of so-called fund platform. The goal is not only clients activation but also retention, which is a prolongation of the time of usage of our services by clients.

Besides traditional goals like e.g. retaining of reasonable administrative costs and modest profit at the end of the year, we will work on the solutions of items not directly related to the fulfilment of our key business strategies in the financial and back-office spheres. They include long-term receivables, or revisions of contracts and relationships predominantly with foreign entities. We are at the same time planning to communicate with financial markets regulation authorities, aiming at engaging more in discussions with the existing and prepared legislative settings.

PRODUCT RANGE

Cornhill Management, o.c.p. a.s. cooperated in 2013 with business partners on the following products:



FlexMax Investment Account

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



NEW Lifestyle

NEW Lifestyle is a flexible investment product, allowing regular or lump sum investments during the investment period into an automatically-adjusted investment strategy. Once the investment period has been reached, Clients can choose between receiving a lump sum payment or regular payments during the Drawdown phase.



FlexMax Konto

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



Lifestyle account (Konto života PLUS)

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.



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.



World Investment Opportunities Funds SICAV

Part of our World Funds products, the World Investment Opportunities Funds (WIOF) are currently registered for public offer in a number of countries in Europe. WIOF offered 15 sub-funds. 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

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



World Shariah Funds

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

OTHER FACTS

Human Resources

The company in 2013

- had on average 19 employees,
- had 6 newly recruited employees,
- had 1 employees that left.

In 2014, the average number of employees in the company is expected to be 25.

Employment structure in 2013

- the company employed: 38% women, 62% men,
- the average age of company employees was 36 years,
- 74% of employees had academic 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 2013.

Information on development and financial status

The economic result of the company for 2013 is profit in the amount of EUR 32,807.

Overview of financial results since 2010:

- 2012: loss of EUR 98,892
- 2011: net profit of EUR 245,316
- 2010: net profit of EUR 552,422

In 2013 the company had the following significant revenues:

- revenues linked to the "Konto života PLUS/ Lifestyle account" product EUR 1,807,537,
- revenues from provision of investment services (portfolio management, custodianship services) EUR 887,381,
- revenues from services provided within the WIOF fund EUR 205,885,
- revenues from services provided within the WPP fund EUR 480,819,
- revenues from services provided within the WSP fund EUR 635,535,
- revenues linked to the „Konto života,, product EUR 68,435.

In 2013 the company incurred the following significant costs:

- personnel costs EUR 555,820,
- office rental and related services EUR 98,651,
- intermediary financial services commissions EUR 2,693,498,
- marketing activities EUR 141,659,
- bank commissions EUR 58,354,
- IT services EUR 50,619.

Equity share of total resources as of 31.12.2013 was 62%.

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.

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 2013	year 2012	year 2011
24%	16%	145%

Effective liquidity increased by 8 percentage points in 2013 compared to the previous year.

- Common liquidity (recommended value more than 100%)
Common liquidity helps to assess to what extent are the short-term liabilities covered by liquid funds and receivables. Furthermore, it allows to assess the company's payment readiness.

year 2013	year 2012	year 2011
306%	389%	855%

The company's common liquidity dropped by 83 percentage points compared to 2012, 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 2013	year 2012	year 2011
306%	389%	855%

The company's overall liquidity decreased compared to 2012. 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 2013	year 2012	year 2011
62%	70%	84%

The degree of self-financing decreased by 8 percentage points in 2013 compared to the previous year. Despite the decrease, the company has sufficient own equity to cover its needs.

3. Podiel cudzieho a vlastného kapitálu

	year 2013	year 2012	year 2011
foreign equity ratio (EUR)	989 903	661 979	361 279
own equity ratio (EUR)	1 602 711	1 569 904	1 889 566
share of foreign and own equity ratio in %	62%	42%	19%

In 2013 the foreign to own equity ratio in the company increased by 20 percentage point compared to previous year.

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

year 2013	year 2012	year 2011
162%	237%	523%

In 2013 the level of financial independence dropped, by 75 percentage points compared to previous year.

5. Gross debt in %

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

year 2013	year 2012	year 2011
38%	30%	16%

In 2013 the company's gross debt grew by 8 percentage points compared to 2012.

6. Cost intensity of revenues

year 2013	year 2012	year 2011
0,99	1,04	0,93

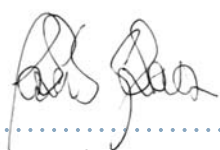
A slight decrease of the cost ratio indicator was recorded in 2013 compared to the previous year.

STATEMENT OF FINANCIAL POSITION

TO 31ST DECEMBER 2013

(In whole Euros)	Note	31.12.2013	31.12.2012
Assets			
Cash and cash equivalents	3	203 276	87 550
Claims on clients	4	55 906	36 867
Financial assets at fair value are revalued through the income statement	5	471 282	495 695
Intangible assets	6	2 986	9 504
Tangible fixed assets	7	19 081	38 242
Income tax	8	0	37 024
Deferred tax assets	8	59 227	40 544
Other assets	9	1 780 856	1 486 457
Assets total		2 592 614	2 231 883
Liabilities			
Provisions	10	96 776	81 695
Income tax		38 606	0
Other liabilities	11	854 521	580 284
Liabilities total		989 903	661 979
Equity			
Share capital		1 494 000	1 494 000
Reserve funds		91 265	91 265
Retained earnings			83 531
Accumulated loss		(15 361)	
Profit/ (loss) for the reporting period		32 807	(98 892)
Equity total		1 602 711	1 569 904
Total liabilities and equity together		2 592 614	2 231 883

Financial statements which include the notes on pages 15 to 40 was signed on 19 May 2014.



Signature of statutory body



Signature of the person responsible for preparation of financial statements



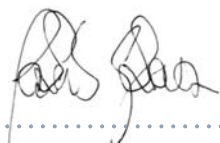
Signature of the person responsible for accounting

STATEMENT OF COMPREHENSIVE RESULT

TO 31ST DECEMBER 2013

(In whole Euros)	Note	31.12.2013	31.12.2012
Income from fees and commissions	12	3 899 361	2 186 606
Expenses for fees and commissions	12	(2 946 621)	(1 526 434)
Net fee and commission revenue	12	952 740	660 172
Interest income and similiar income	13	3 032	5 390
Interest expense and similiar expense	13	(1 961)	(2 834)
Net interest income	13	1 071	2 556
Net (loss)/profit from financial instruments at fair value, revalued through profit and loss statement	14	(25 188)	(76 527)
Net (loss)/profit from operations with foreign exchange and assets and liabilities, valued in foreign currency	15	(11 680)	2 260
Net loss/profit from trading		(36 868)	(74 267)
Payroll costs	16	(555 820)	(573 312)
Depreciation of tangible and intengible property	16	(25 679)	(31 490)
Other administrative cost	16	(469 142)	(573 542)
Total administrative cost	16	(1 050 641)	(1 178 344)
Other operating costs	17	(129 311)	(217 303)
Other operating income	17	486 076	786 790
Costs for Creation of provisions for other assets		(167 732)	(104 796)
Profit before tax		55 335	(125 192)
Deferred income tax	8	18 683	29 169
Income tax	18	(41 211)	(2 869)
Profit after tax		32 807	(98 892)
Other parts of comprehensive result		-	-
Total comprehensive income for the year		32 807	(98 892)

Financial statements which include the notes on pages 15 to 40 was signed on 19 May 2014.



Signature of statutory body



Signature of the person responsible for preparation of financial statements



Signature of the person responsible for accounting

STATEMENT OF CHANGES IN EQUITY

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

Item	Registered capital EUR	Reserve funds EUR	Funds from valuation EUR	Retained earnings EUR	Total EUR
Closing balance as of December 31, 2011	1 494 000	66 733	-	328 833	1 889 566
Profit/ 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
Profit in 2013	-	-		32 807	32 807
Closing balance as of December 31, 2013	1 494 000	91 265	-	17 446	1 602 711

Loss generated by the Company for 2012 in the amount of EUR 98,892 has been settled on the grounds of the decision of General Assembly held on June 21, 2013 as follows:

- part of the loss in the amount of EUR 83,531 was offset against the undivided profit of 2006, 2007, 2008, 2010 and 2011.
- part of the loss in the amount of EUR 15,361 was reversed as the accumulated loss from previous years.

STATEMENT OF CASH FLOWS

TO 31ST DECEMBER 2013

	2013	2012
Cash flow from operating activities		
Profit or loss for accounting period before tax	55 335	(125 192)
Adjustments by non-monetary operations		
Depreciations	25 679	31 490
Change in reserves	15 081	29 381
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	11 680	(2 260)
Revaluation of financial assets in real value revalued through profit and loss account	25 188	76 527
Impairment of assets value	167 732	104 796
Interest recorded under expenses	1 961	2 834
Interest recorded under income	(3 032)	(5 390)
Change in receivables against clients	(19 039)	8 518
Change in trading securities	2 250	199 091
Change in receivables against banks	-	-
Loans provided	-	150 000
Change in other assets and other tax receivables	(473 811)	(810 507)
Increase in the balance of liabilities	284 001	280 211
Interest paid	(1 961)	(2 834)
Accepted interest	7	5 510
Returned tax/Paid tax	34 419	12 474
Net cash flow from operating activities	125 490	(46 551)
Cash flow from investment activities		
Purchase of intangible and tangible assets	-	(6 566)
Income from sale of intangible and tangible assets	-	1 200
Sale of securities for sale	-	-
Net cash flow from investment activities	-	(5 366)
Cash flow from financial activities		
Instalments for finance lease		-
Change in loans	(9 764)	(8 892)
Dividends paid	-	(220 770)
Net cash flow from financial activities	(9 764)	(229 662)
Cash and cash equivalents increase (decrease)	115 726	(281 579)
Cash and cash equivalent at the beginning of the year	87 550	369 129
Cash and cash equivalent at the end of the year	203 276	87 550

Financial statements which include the notes on pages 15 to 40 was signed on 19 May 2014.

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 31.12.2013 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 1.1.2013 to 31.12.2013.

Date of approval of financial statements for the previous reporting period

Financial statement of the company to 31.12.2012, for the previous reporting period, was approved by general Assembly on 21.6.2013.

Members of the statutory and the supervisory authority of the Company

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

Information about the consolidated entity

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

Structure of owners

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

The state to 31.12.2013	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 2013 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 delivered 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	

to 31.12.2013

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

Reserves

Reserve is a liability of uncertain timing or amount.

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

The legal obligation is an obligation that derives from:

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

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

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

Reserves and other liabilities

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

Reserve is reported when:

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

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

The best estimate

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

The impairment of property

Identification of impaired assets

The company has each date on which the financial statements 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. Externé indikátory znehodnotenia

- 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 rebuild 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 in use, thus it becomes property ready for its intended use. An intangible property is considered property valued at more than 2 400 EUR a useful life is longer than one year, as well as intangible property also include assets valued at less than 2 400 EUR and more than 450 EUR and useful life is longer than one year. The property where value is less than 450 EUR and useful life is shorter than one year is accounted only once as a cost. Estimated useful life, depreciation method and depreciation rate are shown below:

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

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

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

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

Lease

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

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

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

Finance lease

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

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

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

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

Deferred tax

Deferred tax assets are the amounts of income taxes refundable in future periods in connection with:-
odpočítateľnými dočasnými rozdielmi (temporary differences),

- 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 applied in this

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

- Amendments to IFRS 1 "First-Time Adoption of IFRS - removal of "fixed dates" for accounting entities implementing IFRS for the first time and new exceptions for entities which recovered from high hyperinflation (effective for the accounting periods commencing on January 1, 2013 or earlier)
- Amendments to IFRS 1 "First-Time Adoption of IFRS" - government loans with lower than market interest rate (effective for the accounting periods commencing on January 1, 2013 or later)
- Amendments to IFRS 7 Financial Instruments: Disclosure - mutual offsetting of financial assets and financial liabilities (effective for the accounting periods commencing on January 1, 2013 or later)
- IFRS 13 "Fair Value Measurement" (effective for the accounting periods commencing on January 1, 2013 or later)
- Amendments to IAS 1 "Presentation of financial statements" - presentation of other comprehensive income (effective for the accounting periods commencing on July 1, 2012 or later)
- Amendments of IAS 12 "Income Taxes" - deferred tax - recovery of underlying assets (effective for the accounting periods commencing on January 1, 2013 or later)
- Amendments of IAS 19 "Employee Benefits" - comprehensive reconsideration (effective for the accounting periods commencing on January 1, 2013 or later)
- Amendments to different standards - annual improvement of IFRS regarding IFRS1, IAS1, IAS 16, IAS32, IAS34) - (effective for the accounting period commencing on January 1, 2013 and later).

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

New standards and interpretations not yet effective and applied

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

- IFRS 10 "Consolidated Financial Statements" (effective for the accounting period commencing on January 1, 2014 and later)
- IFRS 11 "Joint Arrangements" (effective for the accounting period commencing on January 1, 2014 and later)
- IFRS 12 "Disclosure of Interests in Other Entities" (effective for the accounting period commencing on January 1, 2014 and later)
- IAS 27 (revised in 2011, amendments) "Separate Financial Statements" (effective for the accounting period commencing on January 1, 2014 and later)
- IAS 28 (revised in 2011, amendments) "Investments in Associates and Joint Ventures" (effective for the accounting period commencing on January 1, 2014 and later)
- Amendments to IFRS 10 "Consolidated Financial Statements, IFRS 11 "Joint Arrangements" and IFRS 12 "Disclosure of Interests in Other Entities" - transition guidance (effective for the accounting period commencing on January 1, 2014 and later)
- Amendments to IAS 32 "Financial Instruments: Presentation" (effective for the accounting period commencing on January 1, 2014 and later)
- Amendments to IAS 36 "Impairment of Assets" (effective for the accounting period commencing on January 1, 2014 and later)
- Amendments to IAS 39 "Financial Instruments: Recognition and Measurement" (effective for the accounting period commencing on January 1, 2014 and later)

The Company decided not to adopt these standards, revised versions and interpretations prior to the date of their effectiveness. The Company expects that the adoption of these standards, revised versions and interpretations will not have a significant impact on its financial statements in the period of first-time adoption.

3. Cash and cash equivalents

Cash and cash equivalents	31. 12. 2013	31. 12. 2012
Cash in the Treasury	7 084	7 172
Current accounts in banks (with payment period to 3 months)	196 192	80 378
Together	203 276	87 550

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. 2013	31. 12. 2012
Claims to clients - Slovak republic	19 296	1 992
Claims to clients - Czech republic	24 507	22 329

Claims to clients - Great Britain	12 008	12 458
Claims to clients - Poland	95	88
Total	55 906	36 867

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

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

Trading securities	ISIN	31.12.2013	31.12.2012
Bill of Advisor Services International, s.a.r.l.		197 780	194 754
Central & Eastern Europe Real Estate Fund	MT0000076423	220 459	256 958
WSF Global Equity Fund - USD Class I	GG00B4Q85X38	50 458	41 264
WSP Global Strategy Alpha Portfolio B GBP	LU0836480318	1 141	1 207
WSP Global Strategy Alpha Portfolio A USD	LU0858365520	727	756
WSP Global Strategy Alpha Portfolio B USD	LU0836480409	717	756
Spolu		471 282	495 695

Central & Eastern Europe Real Estate Fund

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

WIOF Emerging Europe Performance Fund - Class I

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

WSF Global Equity Fund - USD Class I

Worldwide investments to actively managed 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 1.1.2012 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

The movements of intangible property from 1.1.2013 to 31.12.2013

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

7. Non-current tangible assets

Movements of fixed assets from 1.1.2012 to 31.12.2012:

Type		Purchase price	Adjustments and impairment	Net book 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

Movements of fixed assets from 1.1.2013 to 31.12.2013:

Type		Purchase price	Adjustments	Residual value
Non-current tangible assets	1.1.2013	188 075	149 833	38 242
	+ increase	-	19 161	
	- decrease	-	-	
	+/- transfer	-	-	
	31.12.2013	188 075	168 994	19 081
Machines and equipment	1.1.2013	67 189	55 370	11 819
	+increase	-	7 084	
	- decrease	-	-	
	+/- transfer	-	-	
	31.12.2013	67 189	62 454	4 735
Vehicles	1.1.2013	61 242	39 286	21 956
	+ increase	-	9 085	
	- decrease	-	-	
	+/- transfer	-	-	
	31.12.2013	61 242	48 371	12 871
Inventory	1.1.2013	39 296	36 770	2 526
	+ increase	-	1 051	
	- decrease	-	-	
	+/- transfer	-	-	
	31.12.2013	39 296	37 821	1 475
Other fixed assets	1.1.2013	20 348	18 407	1 941
	+ increase	-	1 941	
	- decrease	-	-	
	+/- transfer	-	-	
	31.12.2013	20 348	20 348	-

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, 2013 is EUR 12 871) which are in the possession of the finance company based on the contract on the security transfer of ownership right.

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

8. Tax claims

Tax claims	31.12.2013	31.12.2012
Income tax	-	37 024
Tax claims together	-	37 024

The company incurred tax overpayment for 2012.

Deferred tax liability

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

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

Deferred Tax	31.12.2013	31.12.2012
Temporary differences between the accounting value of assets and liabilities and their tax base		
– deductible (tangible fixed assets)	11 859	10 607
– deductible (reserve for clients bonuses)	96 776	81 695
– deductible (provisions not included into the tax base)	160 579	83 978
Temporary differences together	269 214	176 280
Income tax (in %) for the year 2014	22%	23%
Deferred tax receivable in 23%	61 919	33 493
Deferred tax receivable in 22%	59 227	40 544
Difference between the income tax rate of 22% and 23%	-2 692	7 051
Deferred tax liability	59 227	40 544

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 31.12.2013	59 227
Value to 31.12.2012	40 544
Change	18 683

9. Other assets

Other assets	31.12.2013	31.12.2012
Various debtors	1 996 691	1 410 374
Deterred expenses	31 701	33 491
Long term advance payments	33 294	21 643
Short term advance payments	201	131
Deferred income	3 321	142 292
Resources	163	157
Value Added Tax	4 872	-
Motor vehicle tax	-	25
Other assets before adjustments	2 070 243	1 608 113
Decreased value of assets (provisions)	289 387	121 656
Other assets together	1 780 856	1 486 457

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

The age structure of various debtors to 31.12.2013 is given in the table below:

	Different debtors					Together
	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	
452 494	1 523	250 074	512 537	458 128	321 935	1 996 691

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

Costs for future periods	31. 12. 2013	31. 12. 2012
Deferred expanses - Rent	28 135	29 719
Insurance	2 236	2 246
Software updates	136	136
Other	1 194	1 390
Together	31 701	33 491

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 31.12.2013 company has created adjusted (corrected) entries in the sum of EUR 289 388 (2012: EUR 104 797) A provision was created on the receivables against various debtors. Identified impairment was on the receivables against debtors which were overdue for more than 365 days.

10. Provisions

Provisions	to 31. 12.2012	Creation	Usage	Cancel- ation	to 31.12.2013
Long-term provisions due over 5 years					
Provisions for clients' benefits	81 695	15 081	-	-	96 776
Total long-term provisions	81 695	15 081	-	-	96 776
Short-term provisions due over 1 year					
					-
Total short-term provisions	-	-	-	-	-
Together	81 695	15 081	-	-	96 776

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

11. Other liabilities

Other liabilities	31.12.2013	31.12.2012
Various creditors	719 725	484 900
Liabilities from provided loans (car loans)	15 496	25 260
Liabilities to employees	24 827	24 734
Liabilities against Social insurance company and health insurance companies	15 323	13 121
Costs for future periods	46 686	1 399
Social fund	348	1 730
Tax obligation on value added tax	-	2 250
Tax from dependent activities	4 198	4 384
Other taxes and fees	508	-
Vacation pay including social security	24 090	19 086
Audit	3 150	3 150
Others	170	270
Other liabilities together	854 521	580 284

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

Liabilities as of December 31, 2013 according to remaining due date

Other liabilities according to remaining due date	Up to 1 year	more than 1 year and less than 5 years	Total
Various creditors	719 725		719 725
Liabilities from provided loans (car loans)	10 724	4 772	15 496
Liabilities against employees	24 827		24 827
Liabilities against Social Insurance and health insurance companies	15 323		15 323
Prepaid expenses	46 686		46 686
Social Fund		348	348
Tax on dependent activity	4 198		4 198
Income tax	38 606		38 606
Other taxes and fees	508		508
Vacation pay	24 090		24 090
Audit	3 150		3 150
Others	170		170
Total other liabilities	888 007	5 120	893 127

Age structure of various creditors as of December 31, 2013 is included in the following overview

Various creditors		
due	overdue	Together
141 610	578 115	719 725

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	31.12.2013	31.12.2012
Value to January 1st	1 730	5 309
Created against expenses	2 250	2 404
Usage	(3 632)	(5 983)
Status	348	1 730

One part of the Social Fund is under the Law on the Social Fund created against expenses and one part may be created from profits. Under the Law on the Social Fund, social fund is withdrawn in the form of a contribution for food vouchers. The contribution was in the amount of 35% from the nominal value of a food voucher by June 30, 2013, and it has been in the amount of 10% from the nominal value of a food voucher since July 1, 2013.

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	31.12.2013	31.12.2012
Clients' assets		
Clients' funds	1 791 603	1 029 874
Securities	60 024 912	11 620 587
Claims of client against the market	532 026	193 984
Liabilities of client against the market	(68 886)	
Clients' assets together	62 279 655	12 844 445
Liabilities to clients of entrusted property		
Liabilities to clients' funds	1 791 603	1 029 874
Liabilities to securities (portfolio management)	20 223 509	7 362 518
Liabilities from securities rating (custodianship)	40 264 543	4 452 053
Liabilities to clients of entrusted property together	62 279 655	12 844 445

12. Net income from fees and commissions

	31.12.2013	31.12.2012
Income from fees and commissions	3 899 361	2 186 606
Management of financial services	1 073 844	467 689
Portfolio management	887 381	369 472
Investment consultation	-	90 400
Other financial services	1 938 136	1 259 045
Costs of fees and commissions	(2 946 621)	(1 526 434)
Commissions for management of financial services	(2 693 498)	(1 306 313)
Client bonuses	(15 081)	(31 117)
Other	(238 042)	(189 004)
Net income from fees and commissions	952 740	660 172

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

Period	31.12.2013					31.12.2012				
	Management of financial services	Portfolio management and custodianship	Investment consultation	Other financial services	Together	Management of financial services	Portfolio management and custodianship	Portfolio management and custodianship	Other financial services	Together
Slovakia	4 494	98 098			102 592	859	47 450		-	48 309
Luxemburg	908 636			1 938 136	2 846 772	423 368	-	90 400	1 259 045	1 772 813
Czech republic		210 828			210 828	-	202 707		-	202 707
United Kingdom	2 097	577 502			579 599	-	118 266		-	118 266
Cyprus						31 893				
Guernsey	158 617				158 617	11 569	-		-	11 569
Poland		953			953	-	1 049		-	1 049
Together	1 073 844	887 381		1 938 136	3 899 361	467 689	369 472	90 400	1 259 045	2 186 606

13. Net interest income

	31.12.2013	31.12.2012
Interest income and similar incomes	3 032	5 390
Interest from bank accounts and bank deposits	6	168
Interest from debt financial instruments	3 026	1 503
Loan interests	-	3 719
Interest cost and similar cost	(1 961)	(2 834)
Debit interest from bank accounts	-	-
Interest from financial car loan	(1 961)	(2 834)
Net interest income	1 071	2 556

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

	Profit 31.12.2013	Loss 31.12.2013	Net loss 31.12.2013	Zisk 31.12.2012	Loss 31.12.2012	Net loss 12.2012
Net profit (loss) from financial instruments in real value calculated through profit and loss statement	20 978	46 166	(25 188)	117 338	193 865	(76 527)
Together	20 978	46 166	(25 188)	117 338	193 865	(76 527)

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

	Profit 31.12.2013	Loss 31.12.2013	Net loss 31.12.2013	Zisk 31.12.2012	Loss 31.12.2012	Net loss 12.2012
Net loss from operations with foreign exchange and assets and liabilities valued in foreign currency	92 925	104 605	(11 680)	94 242	91 982	2 260
Together	92 925	104 605	(11 680)	94 242	91 982	2 260

16. Administrative costs

	31.12.2013	31.12.2012
Payroll costs	(555 820)	(573 312)
Payroll costs	(405 572)	(434 708)
Social security costs	(133 509)	(124 692)
Other social costs	(16 739)	(13 912)
Amortization of tangible and intangible assets	(25 679)	(31 490)
Tangible fixed assets	(19 161)	(24 561)
Intangible Assets	(6 518)	(6 929)
Other administrative costs	(469 141)	(573 542)
Material usage	(5 937)	(11 457)
Car usage (petrol , material for cars)	(7 098)	(16 838)
Representation expenses	(24 071)	(21 058)
Post and delivery services	(37 252)	(26 172)
Phones and internet	(22 559)	(28 412)
Rental of premises	(91 541)	(116 509)
Translation services	(18 981)	(20 834)
Computer services	(50 619)	(31 778)
Trainings	(207)	(4 142)
Tax and fees (except the income tax)	(1 788)	(3 366)
Marketing activities	(141 659)	(170 022)
Law consultancy	(13 068)	(23 768)
Software services	(14 443)	(3 245)
Audit	(13 035)	(12 789)
Other administrative costs	(26 883)	(83 152)
Together	(1 050 640)	(1 178 344)

17. Other operational income / expenses

	31.12.2013	31.12.2012
Other operational costs	(129 311)	(217 303)
Not applicable VAT (coefficient)	(18 673)	(116 322)
Insurance	(7 506)	(6 179)
Other	(103 132)	(94 802)
Other operational income	486 076	786 790
Operational income	470 963	785 321
Income from selling assets		1 200
Other	15 113	269

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

18. Income tax

Income tax	Corporate tax base 2013	Tax 23% 2013	Corporate tax base 2012	Tax 19% 2012
Profit/ loss before taxation	55 337	12 728	(125 192)	-23 786
Deductible items	(135)	(31)	(2 537)	(482)
Attributable/added items	123 978	28 515	142 830	27 138
Tax loss amortization	-	-	-	-
	179 180	41 211	15 101	2 869
Deferred tax 22% (2013) 23% (2012)		(18 683)		(29 169)
Income tax all		22 528		(26 300)
Effective tax rate		40,71%		21,01%

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

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

Gross income of members of the statutory and supervisory bodies arising from their labour relations		
	2013	2012
Board of Directors	3 960	3 600
Board of Supervisors	38 755	34 925
Together	42 715	38 525

20. Transactions with related parties

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

a) Shareholder

Summary of balances to shareholders in the statement of financial situation

(in Euro)	31.12.2013	31.12.2012
Assets		
Other Assets	298 395	148 362
Together	298 395	148 362

The company has created throughout the year a correction allowance for receivables from SFM International SA in the amount of EUR 148 080.

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

(in Euro)	31.12.2013	31.12.2012
Assets	-	3 719
Other Assets	107 854	75 194
Together	107 854	78 913

b) Other related parties

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

(in Euro)	31.12.2013	31.12.2012
Assets		
Financial assets with real value calculated through profit and loss	197 779	238 737
Other assets	517 978	1 128 897
Together	715 757	1 367 634
Liabilities		
Other liabilities	13 928	18 223
Together	13 928	18 223

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

(in Euro)	31.12.2013	31.12.2012
Income from fees and commissions	1 807 537	1 734 126
Costs of fees and commissions	(177 259)	(183 169)
Interests on debt financial instruments	3 025	1 503
Other operational costs	(103 115)	(94 410)
Other operational incomes	-	503 062
Together	1 530 188	1 961 112

21. The accurate values in accounting and reporting

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

The estimated accurate values of financial assets and liabilities as of 31.12.2013 and 31.12.2012 correspond with their accounting value.

22. Average number of employees

Average number of employees	31.12.2013	31.12.2012
Average number of employees	19	21
Managers	5	4

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

After 31.12.2013 there were no facts that have a significant effect on the fair presentation of facts which are the subject of accounting.

24. Settlement of economic results for 2012

Loss distribution	
Offsetting against the undivided profit of 2006, 2007, 2008, 2010 and 2011.	83 531
Accumulated loss of the previous years	15 361
Loss for the accounting period of 2012	98 892

25. Proposal for distribution of profit from 2013

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

26. Earning/loss per one share

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

Earning/ loss per one share	31.12.2013	31.12.2012
Profit/ loss for the reported period	32 807	(98 892)
Average of shares during the year	4 500	4 500
Earning/ loss per one share	7	(22)

Risk control in the company.

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

The Company's risk management is carried out in accordance with the Act. 566/2001 (collection of Laws) about securities and investment services and other generally binding legal regulations governing the risks and risk management system.

The purpose of risk management is to prevent potential losses from business risks of by means of early identification, tracking, measurement and mitigation of risks. This system also serves as a basis for informing of the board of company and the National Bank of Slovakia about current risk situation.

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

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

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

Credit risk management strategy for the company:

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

Strategy of the management of market risk is:

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

Operational risk management strategy of the company is:

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

Credit Risk

Credit Risk Management

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 31.12.2013
Exposures towards institutions	EUR 196,192
Exposures to companies	EUR 1,740,597
Other exposures	EUR 169,601
Together	EUR 2,106,390

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

Risk value	Value of exposure to 31.12.2013 (in Euro)
risk value 20%	196,192
risk value 100%	1,910,198
Together	2,106,390

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 :

- defining the types of financial instruments which can be used for trading
- establishment of rules for closing of transactions,
- a request for a written or audio record of the negotiation and conclusion of each transaction,
- 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 :

- competence for the conclusion and approval of transactions in which there is a possibility of market risk,
- the rules for classifying transactions in the trading book
- procedures and competences for managing trading with financial instruments
- the procedure for monitoring of prices in the trade and their comparison with market prices,
- 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,
- requirements for regular and detailed information about market risk for the statutory body and responsible employees
- 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 :

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

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

- determining a limit for market risk exposures and limits for each component of the market risk
- the connection of internal limits of the company with all limits and regulations of secure business making.
- monitoring of all position where company is exposed to market risk
- a system of ongoing review of compliance with specified limits,
- establish rules and procedures for the case of exceeding the limits and for the authorization of exceptions to the limits
- 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 31.12.2013	(in thousands of EUR)
Requirements for basic own funds	410
Calculation of credit risk with standard method	156
Calculation of long-term exposures to institutions	3
Calculation of short-term exposures to institutions, companies and entrepreneurs	139
Calculation of other items	14
Calculation with simple approach	108
Value of bond financial instruments	20
Value of risk capital instruments	88
Value of foreign exchange risk	-
The own funds requirement for covering the risk of assets engagement of a trade book	146
The own funds requirement for covering capital risk	146
Calculation of the basic indicator approach	146
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 31.12.2013	(in thousands of EUR)
Basic own funds	1 567
Share capital	1 494
Used funds and other	73
Items generating the value of core capital	1 585
Payable share capital	1 494
Reserve funds and other funds created from profit after taxes to be used in cases of covering risk situations if occurs	91
Undistributed profit from previous years except of future profit from securitized assets allowing lower credit risk in securitized positions	0
Items lowering the value of basic own funds	18
Net accounting value of policy statement	3
Accumulated loss of the previous years	15

Own funds together to 31.12.2012	(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

For the monitored period of 2013 and 2012, the Company was meeting all requirements for own resources of covering specified by the measure of NBS as of March 13, 2007 on own resources of bank financing and requirements for own resources of bank financing and on own resources of financing of securities brokers and requirements for own resources of financing of securities brokers (hereinafter referred to as "Measure").

Foreign exchange risk

Financial assets and financial liabilities in foreign currency had the following structure (calculated to 31.12.2013)

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

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	-	-	-	-	-	81 695	81 695
Liabilities - other	46 842	13 348	14	292 405	-	227 675	580 284
Together	46 842	13 348	14	292 405	-	309 370	661 979

Liquidity Risk

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

Distribution of balance sheet assets and liabilities into time bands according to maturity of December 31, 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	203 276	-	-	-	-	203 276
Claims to clients	55 906	-	-	-	-	55 906
Financial assets in real value calculated through profit and loss	273 502	197 780	-	-	-	471 282
Long term intangible assets	-	-	-	-	2 986	2 986
Long term tangible assets	-	-	-	-	19 081	19 081
Deferred tax assets	-	-	-	-	59 227	59 227
Other Assets	1 747 562	-	-	-	33 294	1 780 856
Assets together	2 280 246	197 780	-	-	114 588	2 592 614
Provisions	-	-	-	-	96 776	96 776
Income tax	-	-	38 606	-	-	38 606
Other liabilities	812 113	5 052	32 223	4 784	349	854 521
Liabilities together	812 113	5 052	70 829	4 784	97 125	989 903

Distribution of balance sheet assets and liabilities into time bands according to maturity of December 31, 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	-	-	-	-	81 695	81 695
Other liabilities	557 778	-	-	-	22 506	580 284
Liabilities together	557 778	-	-	-	104 201	661 979

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 :

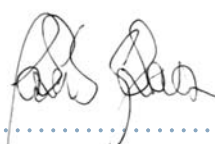
- a) establish procedures for the selection of ways how the company manages access to the identified risk
- b) regularly reports of the company's approach to the identified risk on the basis of the results of changes in the use of different approaches
- c) regularly inform responsible employees about 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 processed, equipment and data itself,
- Ensure efficient, safe, reliable and continuous operation of processing equipment,
- Ensure access of different people to management data and information about 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 commissions
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 19 May 2014.



 Signature of statutory body



 Signature of the person responsible for preparation of financial statements



 Signature of the person responsible for accounting



Report of the Independent Auditor

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

We have audited the accompanying financial statements of Cornhill Management, o.c.p., a.s., registered office: Mickiewiczova 2, 811 07 Bratislava (hereinafter as “the Company”), which comprise the statement of financial position as at 21 December 2013, the statement of comprehensive income, statement of changes in equity, and statement of cash flows for the year ending on December 31, 2013, and notes, comprising a summary of significant accounting policies and methods and other explanatory information.

Responsibility of the Statutory Body for the Financial Statements

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

Auditor’s responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Cornhill Management, o.c.p., a.s. as at December 31, 2013, and of its financial performance for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Bratislava, June 5, 2014

E.R. Audit, spol. s.r.o.
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Bratislava I, section: Sro, file No.: 11217/B
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The Art of Investment



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