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

ANNUAL REPORT

2009

SFM GROUP
Investment products and services

Content

Chairman´s statement

Dear clients, business partners and shareholders,

The year 2009 was an important milestone in the history of the SFM Group. In accordance with company´s values and in effort to continuously increase quality and standards of provided services to clients and business partners, we realised significant changes. Among the most important was accreditation to a licensed securities dealer.

During 2009, we devoted considerable attention to product development and the expansion of financial services. Among the major successful steps taken was the successful launch of the product of regular investment in several variants on four markets within the European Union, also the representation of foreign funds in Slovakia and the overall expansion of our activities abroad based on notification in the single European market. Today, I am pleased to conclude that we have succeeded in reaching our goals and have managed to successfully end the first year of operation under the securities dealer licence.

The company, in 2009, realised extensive investments in the context of a comprehensive restructuring of the company, in its own products portfolio development and implementation of new activities, and thus ended the year with a slight loss on the planned level of 92,000 Euro.

I consider the continuous improvement of our products and services as being a very important part of our future activities. It is an honour and a challenge to provide investment services in securities and we will do our best to increase the confidence of our partners and clients.

Finally, I would like to thank all our clients and business partners, as well as, the employees for their cooperation in 2009, as they all contributed considerably to our joint success and, hopefully, will be a part of an even more successful cooperation in 2010.

Ján Jančovič
Chairman

Ján Jančovič
Chairman

General information about the company

Seat: Mickiewiczova 2
811 07 Bratislava
Slovenská republika

ID: 35 771 801

Tax ID: 2020275587

Registered: Companies Register District Court Bratislava I., section Sa, insertion 4532/B

Legal status: Joint Stock Company

Main business activity: investment services, investment activities and ancillary services under the Act No. 566/2001 Coll. on Securities and Investment Services (The Securities Act) as amended and to the following extent:

1. receiving and execution of clients' orders related to one or more financial instruments in relation to fi nancial instruments: a) transferable securities, b) shares or securities issued by foreign collective in vestment 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 securi ties 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 clients, including custodianship and related services, mainly cash and financial guarantees in relation to financial instruments: a) transferble 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 on 31 December 2009: SFM Group International S.A., Grand Duchy of Luxembourg 100 %

Registered Share Capital: 1,494,000 EUR (4500 pcs of registered shares with a nominal value of 332 EUR)

Contact: SFM Group, o.c.p., a.s.
Aupark Tower, Einsteinova 24
851 01 Bratislava

0800 11 11 44
www.sfmgroup.eu
bratislava@sfmgroup.com

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

Company´s values

Customer Focus

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

Responsibility

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

Innovative solutions

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

Productivity

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

Solidarity

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

Senior management and organizational structure

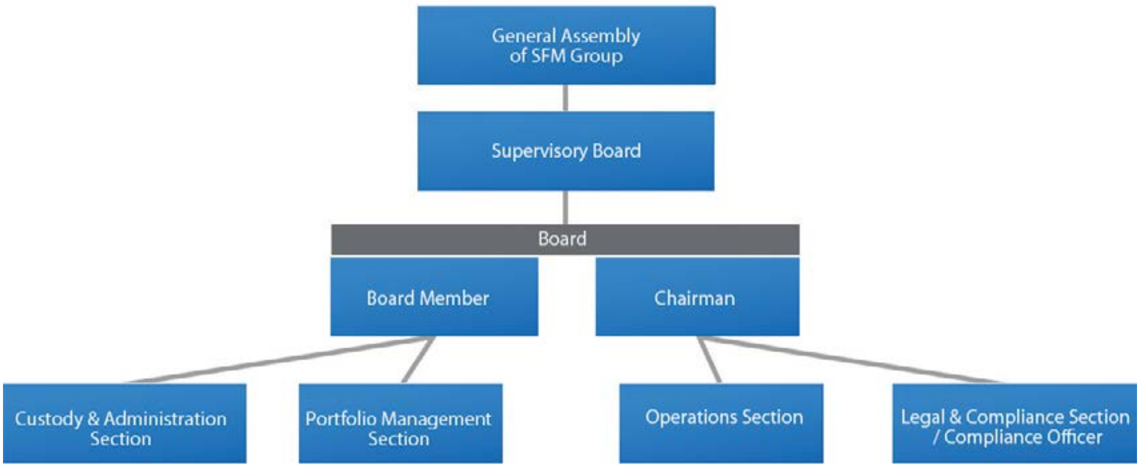
Board

Ján Jančovič	Chairman
Jakub Sýkora	Board Member

Supervisory Board

Jana Frňková
Martin Višňovský
Derek Chambers

Internal organizational 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 2010

The goal of our company in 2010 is to continuously improve the quality of its products and services. We consider the brokerage services in purchase and sale of securities and investment funds to be a standard level of our service. We wish to extend the offer of funds and to become a provider with the widest portfolio of foreign funds. Also, for 2010 our intention is ongoing provision of our own management products portfolio built on the principle of regular investing. We wish to provide these services in the Slovak Republic, Czech Republic, and Poland and gradually expand to other European Union countries, particularly in countries of the SFM Group scope in order to exploit the synergistic effect of the group.

In addition to the necessity of new products development, we recognize the need for continuous development and increase of effectiveness of information systems. We pay significant attention to this area, as information technology plays a very important role in the successful realisation of all our activities. In the mean time, we understand that information technology is an important competitive feature, as it allows us to directly connect with investment services providers domiciled in Luxembourg, in particular, but also in other countries.

A very important goal is to further strengthen and improve existing business relationships, and thus to strengthen the competitive position in conjunction with the continuous expansion of products portfolio and the upgrading of sales and after sales service to customers.

Products overview

Company SFM Group, o.c.p. a.s. collaborated in 2009 with business partners in the following products

- WIOF
- Konto života
- Lifestyle account (Konto života Plus)

World Investment Opportunities Funds SICAV

Our major product partner, WIOF, was founded in 1999 and is currently registered for public offering in 10 countries in Europe and Asia. WIOF has 19 sub-funds. Management Company and WIOF funds promoter is Lemanik Asset Management Luxembourg SA. Depositary is the KBL European Private Bankers SA, belonging to the financial group KBC Bank (Belgium). One advantage is the system of multi-management, where several independent investment managers manage one or more sub-funds. Individual investment managers undergo rigorous selection process, which helps to identify skilled investment managers from all over the world to achieve the highest performance in compliance with the risk control system.

Konto života (product sale ended as of 31 May 2009)
Investment savings plan, operating under the auspices of the Privatbanka, a.s., offered a unique and attractive opportunity based on a specific approach to asset management. Its uniqueness lied in the method of active investment risk management. The Lifestyle Account offered opportunities to establish financial stability and solutions for regular investment planning.

Lifestyle account (Konto života PLUS)

The Lifestyle account is a regular investment programme creating the income necessary for securing your future and covering important life necessities, goals and dreams. It helps make clients´ dreams and goals come true in various time periods. It enables clients to invest with a long-term perspective and create an annuity for retirement period or accomplish other plans in a shorter period.

Other facts

Human Resources

The company in 2009
• had on average 25 employees,
• had 5 newly recruited employees,
• had 3 employees that left,
• and the total number of days in the year 2009, during which employees were on sick leave reached 122.

In 2010, the projected average number of employees is 26.

The impact of the entity on the environment
The activity of the entity does not have a negative impact on the environment.

Costs on research and development activities
In the financial year of 2009, the company did not invest in research and development.

Information on the development and financial status
In 2009, the company ended with a loss of -91.569,- EUR. The loss was incurred in relation to the change of the company activities. In December 2008, the company acquired a licence from the National Bank allowing the company to provide licensed investment services. The main business activity of the company, as of January 2009, is the provision of investment services, investment activities and ancillary services in accordance with Act No. 566/2001 Coll. on Securities and Investment Services (The Securities Act). In the 2010, the company will expand both its products base, as well as, business partners' base. New business partnerships could result in increased revenue generated in 2010 and also to overall performance in the years to come.

The company achieved profits in previous years. Overview of financial results since 2006:
- 2008: net profit 12 453 EUR;
- 2007: net profit of 5 354 EUR;
- 2006: net profit of 133 166 EUR.

The company reached, in 2009, the following revenues
- revenues from services provided within the fund WIOF 471 021 EUR,
- revenues linked to the Lifestyle Account of 188 334 EUR,
- revenues from financial intermediary services 185 025 EUR;
- Interest income of 79 582 EUR.

The company incurred, in 2009, the following significant costs
- personnel costs 550 000 EUR,
- rental and related services 118 515 EUR,
- intermediary financial services commissions 105 664 EUR,
- depreciation of tangible and intangible assets 51 067 EUR,
- telecommunications services 32 316 EUR,
- IT services 31 332 EUR.

Equity share of the total resources as of 31 December 2009 was 89%.

Financial indicators of the company

1. Liquidity

- Immediate liquidity (recommended value of 20-90%)

Immediate liquidity indicates how much of current liabilities may be covered by liquid assets (liquid instruments: cash, securities, deposits in financial institutions).

year 2009	year 2008
100%	76%

The company recorded in 2009 a 24% increase of immediate liquidity compared to 2008.

- Current liquidity (the recommended value of more than 100%)

Current liquidity allows assessing to what extent the short-term liabilities are covered by liquid funds and debt. It also allows assessing the payment readiness of the company.

year 2009	year 2008
540%	785%

Current liquidity of the company declined in 2009 by 245% compared to year 2008, its amount is nevertheless sufficient. The company can cover short term liabilities by liquid funds and short-tem debt.

- Total liquidity (the recommended value of 150% to 250%)

Overall liquidity is the ratio of current assets and short-term liabilities. It is sufficient if it reaches more than 150%, but is only effective if it exceeds 250%.

year 2009	year 2008
540%	785%

The overall liquidity of the company fell in 2009 by 245% compared to year 2008. Despite the overall decline in liquidity, the overall liquidity is substantially higher than the recommended maximum value, which means the company had temporarily unused recourses.

2. Degree (coefficient) of self-financing capacity (own equity share of total equity) in %
It shows financial independence – the ability to cover liabilities by own capital. This indicator should reach at least the value of 30%.

year 2009	year 2008
89%	89%

The degree of self-financing in 2009 was the same as the previous year. The company has sufficient capital to cover their needs.

3. The ratio of equity to other capital

	year 2009	year 2008
other capital (EUR)	189 434	205 600
own equity (EUR)	1 541 828	1 633 397
the ratio of equity to other capital in %	12%	13%

The ratio of other capital to own capital was reduced in 2009 by 1% compared to the year 2008.

4. The degree of financial independence (the ratio of equity and loan capital) in %
This indicator is positive, if greater than 200%.

year 2009	year 2008
814%	794%

In 2009, the ratio of our equity and other capital went up by 20% compared to the previous year.

5. Total debt in %
The high level of indebtedness is reach when the total indebtedness exceeds 50%.

year 2009	year 2008
11%	11%

The total indebtedness of the company in 2009 was at the same level as the previous year. The company reach a very low level of indebtedness.

Profit for the year 2009

The company incurred a loss of 91 569 EUR in the year 2009. This loss will be covered from the undistributed profits from the previous year.

Statement of the Supervisory Board

The Supervisory Board of SFM Group, o.c.p. a.s. executed their activities within the provisions of the law, they fulfilled the tasks arising from the statuses of the company, from the statuses of the Supervisory Board and the legal acts of the Slovak Republic.

The Board of Directors, during the calendar year, regularly informed members of the Supervisory Board about business activities and performance, presented the results of its operations, reported on the state of property and gave information about the development of the company. The Supervisory Board, in accordance with the Statuses, held discussions in four meetings and at these meetings, discussed among other things, accounts, and suggestions on the distribution of profit, business plan for 2009. They decided on matters within the competence of the Supervisory Board in accordance with the Statutes and internal regulations of the company. Ongoing, they were informed about the activities of the company related to the introduction of the euro and other matters related to the development of the company.

The Financial Statements of SFM Group, ocp, for the year ended on 31 December 2009, were audited by KPMG Slovensko, spol. r.o. in accordance with Law no. 540/2007 Z. z. on Auditors, Audit and Control of Audit as amended by the Act No. 431/2002 Z. z. on Accounting as amended and in accordance with International Standards on Auditing ISA, which also confirmed that the Financial Statements reflect the financial position as of 31 December 2009, truly and in all relevant circumstances.

Against this background, the Supervisory Board recommends to the General Assembly to approve the Financial Statements for 2009 and the proposal to cover the losses from the business activities from the undistributed profits from the year 2005 and, partially, from the undistributed profits from 2006.

Financial Statements

Balance sheet as of 31.12.2009 (EUR)

Marking	Item	Comment number	Current accounting period	Previous accounting period
a	**b**	**c**	**1**	**2**
			31.12.2009	31.12.2008
x	Assets	x	x	x
1.	Cash and cash equivalents	F 1.1.	23 358	66 584
2.	Receivables towards clients	F 1.2.	6 282	
a)	from provided investment services, other services and investment activities	F 1.2.	6 282	
b)	from loans provided to clients			
3.	Securities for trading	F 1.3.	13 708	
4.	Derivatives			
5.	Securities for sale	F 1.4.	1 001 716	1 020 000
6.	Subscribed securities for placement			
7.	Receivables towards banks	F 1.5.	87 525	
a)	from reversed repurchase			
b)	other short-term	F 1.5.	87 525	
c)	long-term			
8.	Loans and			
a)	reversed repurchase			
b)	other schort-term			
c)	long-term			
9.	Share capital in subsidiary accounting entities and in associated accounting entities			
a)	in accounting entities from financial sector			
b)	other accounting entities			
10.	Acquisition of tangible and intangible assets	F 1.6.	7 472	10 880
11.	Intangible assets	F 1.6.	14 737	
12.	Tangible assets	F 1.6.	63 589	86 355
a)	not depreciated			
a).1.	lands			
a).2.	other			
b)	depreciated	F 1.6.	63 589	86 355
b).1.	buildings			
b).2.	other	F 1.6.	63 589	86 355
13.	Tax assets	F 2.3.	26 577	56 241
14.	Other assets	F 1.7.	486 298	598 937
	Total assets		1 731 262	1 838 997

Marking	Item	Comment number	Current accounting period	Previous accounting period
a	**b**	**d**	**1**	**2**
			31.12.2009	31.12.2008
x	Liabilities	x	x	x
I.	**Liabilities (sum of items 1 to 9)**		**189 434**	**205 600**
1.	Liabilities towards banks payable on request			
2.	Liabilities towards clients			
3.	Other liabilities towards banks			
a)	from repurchase			
b)	other short-term			
c)	long-term			
4	Liabilities from securities sold for a short term			
5.	Derivatives			
6.	Liabilities from loans and repurchase			
a)	from repurchase			
b)	other short-term			
c)	long-term			
7.	Other liabilities	F 2.2.	165 411	190 249
8.	Subordinated financial liabilities			
9.	Tax liabilities	F 2.3.	24 023	15 351
II.	**Owners assets (sum of items 10 to 17)**	**D**	**1 541 828**	**1 633 397**
10.	Fixed assets	D	1 494 000	1 493 726
a)	subscribed fixed assets			
b)	receivables towards shareholders (x)			
11.	Own shares (x)			
12.	Share premium			
13.	Funds from differences in evaluation x/(x)			
a)	from revaluation of securities for sale x/(x)			
b)	other x/(x)			
14.	Funds created from profits after tax	D	11 491	10 246
15.	Retained earnings or accumulated loss from previous years x/(x)	D	127 906	116 972
16.	Profit or loss from approval activities x/(x)			
17.	Profit or loss for current accounting period x/(x)	D	(91 569)	12 453
	Total liabilities		1 731 262	1 838 997

Profit and loss account for 12 months of 2009 (EUR)

Marking	Item	Comment number	Current accounting period	Previous accounting period
a	**b**	**d**	**1**	**2**
			31.12.2009	31.12.2008
x	x	x	x	x
1.	Income from fees and commissions	F 3.1.	354 565	28 349
2.	Income from interest from loans provided within investment services provided			
a.	Expenses for fees and commissions	F 3.2.	(117 968)	(36 175)
3.b.	Net creation of provisions for investment services, investment activities and other services			
I.	Net profit or loss from providing of investment services, other services and investment activities		236 597	(7 826)
4.c.	Profit/loss from securities operations	F 3.3.	(1 292)	
5.d.	Profit or loss from derivatives			
6.e.	Profit or loss from operations with foreign currencies and with assests and liabilities valuated by a foreign currency	F 3.3.	(1 188)	(29 511)
7.f.	Profit/loss from interests from investment instruments	F 3.3.	79 498	20 000
II.	Profit or loss from trading		77 018	(9 511)
8.	Interest income and similar income		84	1 294
9.	Income from deposits to fixed assets			
10.g.	Profit or loss from sale or transfer of assets		6 700	(2 007)
11./h.	Profit/loss from net cancelling of the value/decrease in asset value and from depreciated assets/assets depreciation			
12.	Income from cancellation of reserves for other liabilities			
13.	Other operational income	F 3.4.	624 175	1 012 893
i.	personnel expenses	F 3.5.	(550 000)	(473 036)
i.1.	salary and social expenses	F 3.5.	(543 820)	(465 543)
i.2.	other personnel expenses	F 3.5.	(6 180)	(7 493)
j	Expenses from creation of reserves for other liabilities			
k	Depreciations	F 1.6.	(51 067)	(65 443)
k.1.	tangible assets depreciations	F 1.6.	(47 668)	(65 443)
k.2.	intangible assets depreciation	F 1.6.	(3 399)	
l	decrease of asset value			
l.1.	decrease of tangible asset value			
l.2.	decrease of intangible asset value			
m	other operational expenses	F 3.6.	(435 539)	(412 407)
n	Financing expenses		(9 244)	(15 564)
n.1.	Expenses for interests and similar expenses		(6 451)	(12 038)
n.2.	Taxes and fees		(2 793)	(3 526)

14./o.	Profit or loss share in subsidiaries and associated companies		
A.	Profit or loss for the accounting period before tax	(101 276)	28 393
p.	Income tax	9 707	(15 940)
p.1.	payable income tax		(16 522)
p.2.	deferred income tax	9 707	582
B	Profit or loss for the accounting period after tax	(91 569)	12 453

Notes to the Financial Statements as of 31 December 2009

A. GENERAL INFORMATION

1. Business name and registered office:

SFM Group, o.c.p., a.s.
Mickiewiczova 2
811 07 Bratislava

SFM Group, o.c.p., a.s. (hereinafter referred to as the "Company") was established on 3 August, 1999, and incorporated in the Companies Register on 3 September, 1999 (Companies Register of the Bratislava I District Court in Bratislava, Section Sa, Insert No. 4532/B).

2. Core business of the Company:

The Company's core business encompasses the provision of investment services, investment activities and ancillary services pursuant to Act No. 566/2001 Coll. on Securities and Investment Services and on Amendments and Supplements to Certain Acts, as amended, to the following extent:

- to receive and forward the client's instructions concerning one or several financial instruments in relation to financial instruments;
- to carry out the client's instruction for his account in relation to financial instruments;
- to manage the portfolio in relation to financial instruments;
- investment advisory services in relation to financial instruments;
- to safe-keep and manage financial instruments for the client's account, including custody and thereto-related services, above all the custody of cash and financial collaterals in relation to financial instruments;
- to undertake investment research and financial analysis or other form of general advice as regards dealing in financial instruments.

3. Legal ground for preparing the financial statements

The Company's financial statements as of 31 December 2009 have been prepared as regular (annual) financial statements pursuant to Section 17, Subsection 6 of Act No. 431/2002 Coll. on Accounting, for the accounting period from 1 January 2009 to 31 December 2009.

4. Date of approval of the financial statements for the prior accounting period

Účtovná závierka Spoločnosti k 31.12.2008, za predchádzajúce účtovné obdobie, bola schválená valným zhromaždením Spoločnosti dňa 23.6.2009.

5. Information on the shareholders of the accounting entity

As of 31.12.2009	Interest in the share capital		Voting rights
	in EUR	%	%
SFM Group International S.A.	1 494 000	100	100
Total	**1 494 000**	**100**	**100**

The sole shareholder in the Company is SFM Group International S.A. The Company's registered office is situated at Avenue Gaston Diderich 15-17, Luxemburg.

6. Consolidated whole information

The Company in not included in any consolidated financial statements.

B. ACCOUNTING PRINCIPLES AND METHODS USED

1. Background

The financial statements have been set up on the assumption of the company is a working concern. Financial statements have been prepared observing the principle of factual and time correlation of costs and revenues.

2. Accounting principles and accounting methods

When preparing individual financial statements, the Company shall apply the accounting principles and accounting methods pursuant to Act No. 431/2002 Coll. on Accounting, as amended, and in accordance with Measure No. MF/26307/2007-74, stipulating the details of the arrangement, marking, and content specification of financial statements, and the extent of data required to be published from financial statements, and the details of the framework chart of accounts and accounting procedures for securities dealers and branches of foreign securities dealers.

Figures shown in the annual financial statements are in whole numbers and in EUR.

Accounting methods and general accounting principles have been applied by the accounting entity consistently, except:

- Under the NBS Licence No. OPK-12778-2/2008, which became effective as of 19 December 2008, the Company got authorization to provide investment services and act as a securities dealer. In the preceding accounting period, the Company applied the accounting principles and accounting methods according to the Measure of the Slovak Ministry of Finance dated 16 December 2002, stipulating the details of accounting procedures and the framework chart of accounts for entrepreneurs keeping double-entry accounting. For said reason, the financial statements for the previous accounting period were converted pursuant to Measure No. MF/26307/2007-74.

- currency changeover from the Slovak crown to the euro as of 1 January 2009 (refer to 'Changeover to the euro');

- valuation of assets and liabilities in a foreign currency in which case use has been made of the European Central Bank reference exchange rate since the changeover to the euro (1 January 2009); National Bank of Slovak exchange rates shall only be used for those foreign currencies for which no exchange rates are published by the European Central Bank;

- incorporation costs, which shall not be considered as intangible assets as of 1 March 2009.

Changeover to the euro
Since 1 January 2009, the euro has become Slovakia's legal tender and currency. Since that date, books shall be kept, and financial statements shall be prepared, in EUR.

As of 1 January 2009, the assets, liabilities and equity were converted from Slovak crowns to the euro by using the conversion rate, except for

- advance payments received and made in euros,

- accruals and deferrals having the nature of advance payments in euros,

for the conversion of which use was made of the rate applicable on the accounting transaction date, i.e. historical rate.

Comparable data has been converted from Slovak crowns to euros by using the conversion rate in accordance with applicable legal regulations.
The conversion rate is 1 euro = 30.1260 SKK.

3. Company valuates assets and liabilities

- as at the accounting transaction date,
- as at the balance sheet date.

4. Exchange rate differences and foreign currency

The Company shall present financial data in the currency primarily applicable in the country where the Company's registered office is situated. Individual financial statements have been drawn up in EUR.

Assets and liabilities expressed in a foreign currency (except for advance payments received and made) shall be converted to euros by using the reference rate determined and published by the European Central Bank or the National Bank of Slovakia.

- on the date prior to the accounting transaction date or
- on the balance sheet date.

When purchasing and selling foreign currencies for the euro, the accounting entity shall use the exchange rates at which those currencies have been acquired.

5. Intangible and tangible assets

Intangible and tangible assets purchased are valuated at their acquisition price which includes the cost of acquisition and thereto-incidental costs (duty, carriage, assembly, premium, etc.).

The amortization of intangible assets is based on their expected useful life and their expected wear-and-tear level. The amortization of intangible assets begins from the first day of the month following their capitalization. Long-term intangible assets whose acquisition price is less than EUR 2400 are recorded directly under expenses. The expected useful life, the amortization method and the amortization rate are given in the table below:

	Expected useful life in years	Amortization method	Annual amortization rate in %
Software	5	straight line	20

The depreciation of tangible assets is based on their expected useful life and their expected wear-and-tear level. The depreciation of long-term tangible assets begins from the first day of the month following their capitalization. Long-term tangible assets whose acquisition price (or own costs) does not exceed EUR 1700 are recorded directly under expenses. The expected useful life, the depreciation method and the depreciation rate are given in the table below:

	Expected useful life in years	Depreciation method	Annual depreciation rate in %
Technical improvements to leased assets	5	straight line	20
Machines, tools and equipment	4	straight line	25
Vehicles	3; 4	straight line	33,3; 25
Inventory	4; 6	straight line	25; 16

6. Lease

The Company has accounted for finance lease, which is how it finances its assets, while bearing all significant risks arising from the possession of assets and taking advantage of all economic benefits resulting from the use of assets. The term of a finance lease contract is precisely stipulated by the Income Tax Act and depends on the deprecation category to which the leased item belongs. Such term corresponds primarily to the useful life of the leased item.

The Company depreciates assets acquired by means of a finance lease according to their actual useful life by applying the straight-line depreciation method.

7. Securities and ownership interests

A security for trading is a security that is held for the purpose of profiting from the difference between its acquisition price and its selling price.

A realizable security is a security that is not held for trading purposes.

The date of transfer of a security is the date of crediting to or debiting from a securities dealer's securities account kept with a third party.

A security for trading is primarily recognized in its valuation by fair value. Changes in the fair value are recognized as part of the profit/loss on securities transactions in the profit and loss statement.
A realizable security is primarily recognized in its fair value. Revaluation differences are recorded on the securities revaluation fund in the shareholders' equity. Once sold, the revaluation difference is reclassified from the securities revaluation fund to the profit/loss on securities transactions in the profit and loss statement.

As of the date of acquisition of a bond, its account also bears the accrued interest, which should be the future cash flow from the security. The accrued interest is accounted for on a straight-line basis at a rate according to the issue terms of the respective security.

8. Accounts receivable

Receivables are valuated at their nominal value as they originate; assigned receivables and receivables acquired by making a contribution to the share capital are valuated at their acquisition price including the acquisition-related costs. Such valuation shall be reduced by doubtful receivables and bad debts.

Provisions shall be created for debts where there is a risk that the debtor will partially or wholly fail to repay it. The manner of creating provisions for receivables depends on their maturity; if the maturity period is longer than:

12 months	up to 20 % of the total receivable
24 months	up to 50 % of the total receivable
36 months	up to 100 % of the total receivable

9. Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash on current bank accounts and financial assets which the Company uses to manage its cash flow and which, in the course of a single business day and with insignificant transaction costs, are easily exchangeable for a sum of money known in advance, and only bear an insignificant risk of change of their value.

Cash and cash equivalents are valuated at their nominal value. A decrease in their value is expressed by an adjusting entry.

10. Deferred costs and accrued income

Deferred costs and accrued income are recognized in such amounts as to observe the principle of factual and time correlation with the accounting period.

11. Provisions

A provision is created when a liability or other obligation is likely that results from past events, its amount or maturity is uncertain while the particular creditor or beneficiary may not be known. The likelihood of reduction of economic benefits necessary to meet the obligation is more than 50% while such reduction can be estimated reliably.
A provision is created to the credit of the liability account for which it is an estimate, with a corresponding entry to the debit of the respective cost account.

12. Liabilities

Liabilities are valued at their nominal value as they are incurred; assumed liabilities are valued at their acquisition price. Where account reconciliation establishes that the amount of liabilities differs from their amount recorded in the books, the amount so established shall be shown in the books and financial statements.

13. Deferred taxes

Deferred taxes (deferred tax receivable and deferred tax liability) relate to:

a) temporary differences between the book value of assets and that of liabilities recognized in the balance sheet and their tax base,

b) possibility to cover tax losses in the future, meaning the possibility to deduct tax losses from the future income tax base,

c) possibility to transfer unused tax deductibles and other tax claims into future periods.

14. Deferred expenses and accrued revenues

Deferred expenses and accrued revenues are recognized in such amounts as to observe the principle of factual and time correlation with the accounting period.

15. Costs, revenues and their accruals and deferrals

Costs and revenues are normally accounted for on an accrual basis to the debit of the cost account and to the credit of the revenue account. The counter account only records adjusting entries or their transfer to the final balance sheet account. Transactions involving assets or liabilities (valuations) are accounted for in a balance-like manner, i.e. accruals to the credit of the account and decrements to the debit of the respective account. The balance of the respective account is recognized either as a profit or loss.

Costs and revenues are always recorded for the period to which they have time and factual correlation. Adjusting entries for previous accounting period are carried to the account of retained earnings from previous years or the account of accumulated losses from previous years.

The criterion for accounting for accruals and deferrals is the fact that their factual content, amount and period to which they relate are known. The accounting entity monitors accruals and deferrals of costs and revenues on a monthly basis. Accruals and deferrals include costs and revenues whose amount per month exceeds EUR 10.

16. Client assets

Client assets and liabilities for entrusted client assets are accounted for as client assets which the clients have entrusted to the securities dealer within the provision of investment services or which the securities dealer has obtained within the provision of investment services to clients, and the commitments to return such assets.

Assets in the managed portfolio are always valued by fair value as at the end of the month.

17. Off-balance sheet accounts

The accounting entity uses the following off-balance sheet accounts:

- Receivables and payables resulting from pledges, right transfers and other security interests are accounted for as assets received or provided as collateral and liabilities from all kinds of material collaterals, such collaterals being valued by fair value;
- client assets and liabilities for entrusted client assets are accounted for as assets placed in custody or under management that are handled within the managed portfolio, assets entrusted for the purpose of purchasing or selling a security for the client; these include benefits for the client from the investment service provided (divided paid out of the share managed) and assets acquired for the client, including transactions carried out for the client's account;
- receivables written off,
- assets in the managed portfolio are always valued by fair value as at the end of the month.

C. CASH FLOW STATEMENT

	2009	2008
Cash flow from operating activities		
Pre-tax profit	(101 276)	28 393
Adjustments by non-cash transactions		
Amortization and depreciation	51 067	65 443
Change in the state of provisions	(4 005)	-
Decrease in the value of assets	17 792	4 448
Revenues from the sale of long-term assets	(6 700)	2 007
Interest recorded under expenses	6 451	12 038
Interest recorded under revenues	(79 582)	(21 311)
Increase/decrease in the state of receivables from clients	(6 282)	-
Increase/decrease in the state of securities for trading	(13 708)	-
Increase/decrease in the state of receivables from banks	(87 525)	-
Increase/decrease in the state of other assets	150 496	427 926
Increase/decrease in the state of other liabilities	11 612	(615 127)
Interest paid	(6 451)	(12 038)
Interest received	79 866	21 311
Paid tax	(26 930)	15 700
Net operating cash flow	**(15 175)**	**(71 210)**
Cash flow from investment activities		
Purchase of long-term assets	(7 256)	(37 698)
Revenue from the sale of long-term assets	6 700	12 978
Expenses related to the purchase of realizable securities	-	(1 000 000)
Revenues from the sale of realizable securities	18 000	-
Net investment cash flow	**17 444**	**(1 024 720)**
Cash flow from financial activities		
Income from the increase of share capital	-	1 160 659
Finance lease instalments	(45 495)	(27 830)
Net financial cash flow	**(45 495)**	**1 132 829**
(Decrease) increase in cash and cash equivalents	(43 226)	36 899
Cash and cash equivalents at the beginning of the year	66 584	29 685
Cash and cash equivalents at the end of the year	**23 358**	**66 584**

D. SHAREHOLDERS' EQUITY

An overview of changes in the shareholders' equity during the current accounting period is contained in the table below:

Equity item	As of 31.12.2008	Increase	Decrease	Movements (+/-)	As of 31.12.2009
Share capital	1 493 726	274	-	-	1 494 000
Reserve funds	10 246	-	-	1 245	11 491
Retained earnings from previous years	116 972	-	-274	11 208	127 906
Profit (loss) for the current accounting period	12 453	-91 569	-	-12 453	-91 569
Total	**1 633 397**	**-91 295**	**-274**	**-**	**1 541 828**

An overview of changes in the shareholders' equity during the previous accounting period is contained in the table below:

Equity item	As of 31.12.2007	Increase	Decrease	Movements (+/-)	As of 31.12.2008
Share capital	298 745	1 194 981	-	-	1 493 726
Reserve fund	9 978	-	-	268	10 246
Retained earnings from previous years	146 199	-	-34 313	5 086	116 972
Profit (loss) for the current accounting period	5 354	12 453	-	-5 354	12 453
Total	**460 276**	**1 207 434**	**-34 313**	**-**	**1 633 397**

In the context of the changeover to the euro, the Company decided to round the nominal value of shares up to whole euros while applying the conversion rate (1 EUR = 30.1260 SKK). The share capital positive difference arising from the conversion in the amount of EUR 274 was paid by using the retained earnings from previous years.

The profit shown by the Company for 2008 – after-tax profit of EUR 12 453 EUR was upon the resolution of the General Meeting dated 23 June, 2009, divided as follows:

- a portion of EUR 1 245 EUR to be used to supplement the Reserve Fund
- the remaining portion of EUR 11 207 was reclassified to retained earnings from previous years.

An overview of changes in the shareholders' equity during the current accounting period is contained in the table below:

Akciový kapitál sa v priebehu účtovného obdobia 2008 zvýšil čiastočne presunom z nerozdeleného zisku vo výške 34 313 EUR a čiastočne peňažným vkladom.

E. CLIENT ASSETS

The Company accounts for client assets on off-balance sheet accounts.

Item	31.12.2009	31.12.2008
Client assets		
Client cash	88 020	0
Client securities	174 409	0
Total client assets	**262 429**	**0**
Payables to clients resulting from entrusted assets		
Payables resulting from client cash	88 020	-
Payables resulting from client securities	174 409	-
Total payables to clients resulting from entrusted assets	**262 429**	**-**

Client cash is valued by nominal value while client securities are valued by fair value.

As of 31 December 2008, there were no client assets accounted for by the Company, since the NBS licence to provide investment services and act as a securities dealer came into effect on 19 December 2008.

F. NOTES TO BALANCE SHEET ITEMS AND PROFIT AND LOSS STATEMENT ITEMS

1. ASSETS

1.1 Cash and cash equivalents

Recognized as cash and cash equivalents are cash on hand, stamps and vouchers, and cash on bank accounts payable upon request, which the Company uses to manage its cash flow.

Cash and cash equivalents	31.12.2009	31.12.2008
Cash on hand	6 680	9 761
Current bank accounts	16 678	56 823
Total	**23 358**	**66 584**

1.2 Receivables from clients

The following table shows receivables from clients by territory:

Receivables from clients	31.12.2009	31.12.2008
Receivables from clients - Slovak Republic	880	-
Receivables from clients - Czech Republic	5 063	-
Receivables from clients - Great Britain	304	-
Receivables from clients - Poland	35	-
Total	**6 282**	**-**

There being no reasons for their creation, no provisions were created for receivables from clients as of 31 December 2009.

1.3 Securities for trading

Recognized as securities for trading are shares in the below named company:

Securities for trading	ISIN	31.12.2009	31.12.2008
Central & Eastern Europe Real Estate Fund	MT0000076423	13 708	-

1.4 Realizable securities

Recognized as a realizable security is a bond issued by the below named legal entity:

Bonds	ISIN	31.12.2009	31.12.2008
Zero Load Securitization Fund	LU03874403263	1 001 716	1 020 000

The final bond maturity date is 30 September 2013. The bond bears 8% interest and the voucher is paid out on a quarterly basis.

1.5 Receivables from banks

Receivables from banks	31.12.2009	31.12.2008
Saving account	87 525	0

The Company has a saving account opened with ČSOB a.s., with the notice period being 7 days.

1.6 Intangible and tangible assets

An overview of the movement of intangible assets from 1 January 2009 to 31 December 2009 is contained in the following table:

Kind		Acquisition price	Adjustments & adjusting entries	Carrying value
Intangible assets	1.1.2009	958	958	-
	+ increase	7 256	3 399	
	- decrease	-	-	
	+/- movement	10 880	-	
	31.12.2009	19 094	4 357	14 737
Software	1.1.2009	-	-	-
	+ increase	7 256	3 399	
	- decrease	-	-	
	+/- movement	10 880	-	
	31.12.2009	18 136	3 399	14 737
Other intangible assets	1.1.2009	958	958	-
	+ increase	-	-	
	- decrease	-	-	
	+/- movement	-	-	
	31.12.2009	958	958	-
Acquired intangble assets	1.1.2009	10 880	-	10 880
	+ increase	7 256	-	
	- decrease	(7 256)	-	
	+/- movement	(10 880)	-	
	31.12.2009	-	-	-

An overview of the movement of intangible assets from 1 January 2008 to 31 December 2008 is contained in the following table:

Kind		Acquisition price	Adjustments & adjusting entries	Carrying value
Intangible assets	1.1.2008	958	958	-
	+ increase	-	-	
	- decrease	-	-	
	+/- movement	-	-	
	31.12.2008	958	958	-
Software	1.1.2008	-	-	-
	+ increase	-	-	
	- decrease	-	-	
	+/- movement	-	-	
	31.12.2008	-	-	-
Other intangible assets	1.1.2008	958	958	-
	+ increase	-	-	
	- decrease	-	-	
	+/- movement	-	-	
	31.12.2008	958	958	-
Acquired intangble assets	1.1.2008	-	-	-
	+ increase	10 880	-	
	- decrease	-	-	
	+/- movement	-	-	
	31.12.2008	10 880	-	10 880

An overview of the movement of tangible assets from 1 January 2009 to 31 December 2009 is contained in the following table:

Kind		Acquisition price	Adjustments & adjusting entries	Carrying value
Tangible assets	1.1.2009	265 383	179 028	86 355
	+ increase	24 902	47 668	
	- decrease	21 788	21 788	
	+/- movement	-	-	
	31.12.2009	268 497	204 908	63 589
Machines, tools & equipment	1.1.2009	131 629	97 315	34 314
	+ increase	-	19 495	
	- decrease	-	-	
	+/- movement	-	-	
	31.12.2009	131 629	116 810	14 819
Vehicles	1.1.2009	76 554	64 253	12 301
	+ increase	24 902	15 010	
	- decrease	21 788	21 788	
	+/- movement	-	-	
	31.12.2009	79 668	57 475	22 193
Inventory	1.1.2009	38 616	14 363	24 253
	+ increase	-	9 446	
	- decrease	-	-	
	+/- movement	-	-	
	31.12.2009	38 616	23 809	14 807

Other tangible assets	1.1.2009	18 584	3 097	15 487
	+ increase	-	3 717	
	- decrease	-	-	
	+/- movement	-	-	
	31.12.2009	18 584	6 814	11 770
Acquired tangible assets	1.1.2009	-	-	-
	+ increase	7 472	-	
	- decrease	-	-	
	+/- movement	-	-	
	31.12.2009	7 472	-	7 472

An overview of the movement of tangible assets from 1 January 2008 to 31 December 2008 is contained in the following table:

Kind		Acquisition price	Adjustments & adjusting entries	Carrying value
Tangible assets	1.1.2008	242 925	142 676	100 249
	+ increase	66 439	65 443	
	- decrease	43 981	29 091	
	+/- movement	-	-	
	31.12.2008	265 383	179 028	86 355
Machines, tools & equipment	1.1.2008	108 249	66 128	42 121
	+ increase	23 380	31 187	
	- decrease	-	-	
	+/- movement	-	-	
	31.12.2008	131 629	97 315	34 314
Vehicles	1.1.2008	105 071	54 475	50 596
	+ increase	-	23 405	
	- decrease	28 517	13 627	
	+/- movement	-	-	
	31.12.2008	76 554	64 253	12 301
Inventory	1.1.2008	14 141	6 609	7 532
	+ increase	24 475	7 754	
	- decrease	-	-	
	+/- movement	-	-	
	31.12.2008	38 616	14 363	24 253
Other tangible assets	1.1.2008	15 464	15 464	-
	+ increase	18 584	3 097	
	- decrease	15 464	15 464	
	+/- movement	-	-	
	31.12.2008	18 584	3 097	15 487
Acquired tangible assets	1.1.2008	-	-	-
	+ increase	-	-	
	- decrease	-	-	
	+/- movement	-	-	
	31.12.2008	-	-	-

No adjusting entry was created against tangible or intangible assets.

The Company has leased (finance lease contracts concluded after 1 January, 2004) 2 passenger cars at an acquisition price of EUR 45 030 (carrying value as at 31 December 2009 is EUR 17 043), computer equipment at an acquisition price of EUR 29 517 (carrying value as at 31 December 2009 is EUR 12 668), and furniture at an acquisition price of EUR 20 082 (carrying value as at 31 December 2009 is EUR 9 674), which are recorded as its property.

The Company has its movable assets insured with Allianz – Slovenská poisťovňa, a.s., with the insured sum amounting to EUR 132 776; assets under finance lease are insured separately.

1.7 Other assets

These include the following items:

Other assets	31.12.2009	31.12.2008
Various debtors	432 806	542 205
Deferred expenses	32 323	35 269
Long-term advance payments made	20 978	22 302
Short-term advance payments made	63	1 210
Accrued revenues	1	2 312
Decrease in the value of assets (receivables)	-	(4 448)
Other	127	87
Total	**486 298**	**598 937**

The table below shows the age structure of various debtors:

Various debtors					
within maturity			overdue		
		31 to 90 days	91 to 180 days	181 to 360 days	Total
189 303	40 554	124 265	78 684	-	432 806

There being no reasons for there creation, no adjusting entries were created against the various debtors item as of 31 December 2009.

Information on deferred expenses is given in the following table:

Deferred expenses	31.12.2009	31.12.2008
Deferred expenses - lease of premises	26 989	26 472
Premium	3 491	4 424
Software updates	1 014	-
Deferred expenses - commissions	-	3 776
Other	829	597
Total	**32 323**	**35 269**

Long-term advance payments made are imputable to the lease of real estate.

2. LIABILITIES

2.1 Other payables to banks

As of 31 December 2009, the Company has one overdraft facility provided by Privatbanka. The overdraft facility was not used as at 31 December 2009. The credit limit for the overdraft facility is EUR 33 000. The final overdraft maturity date is 17 May 2010.

2.2 Other liabilities

Other liabilities	31.12.2009	31.12.2008
Suppliers	44 040	19 086
Liabilities from finance lease	39 385	59 978
Payables to employees	26 474	23 058
Payables to Social Insurance Agency and health insurers	16 219	14 418
Deferred expenses	15 680	46 898
Other	6 600	5 411
Provisions	3 643	4 025
Other liabilities in total	13 370	17 375
Spolu ostatné záväzky	**165 411**	**190 249**

The table below shows the supplier age structure:

Suppliers					
within maturity		overdue			
		31 to 90 days	91 to 360 days	over 360 days	Total
44 040	-	-	-	-	44 040

The following table provides an overview of provisions:

Provisions	As of 31. 12. 2008	Creation	Use	Reversal	As of 31. 12. 2009
Other provisions:	16 482	13 370	14 176	2 306	13 370
Holiday wages including social insurance	13 063	13 034	11 984	1 079	13 034
Financial statements	2 092	-	2 092	-	-
Provision for dislosure of financial statements	166	100	100	66	100
Other	1 161	236	-	1 161	236
Other long-term provisions:	**893**	**-**	**-**	**893**	**-**
Retirement benefits and life and employment anniversaries	893	-	-	893	-
Total	**17 375**	**13 370**	**14 176**	**3 199**	**13 370**

A provision is created to the credit of the liability account for which it is an estimate, with a corresponding entry to the debit of the respective cost account.

2.3 Accounting vis-à-vis the state budget

Accounting vis-a-vis the state budget	31.12.2009	31.12.2008
Tax receivables	26 577	56 241
Tax advances under § 42 of the Income Tax Act	16 278	-

Excessive VAT deduction	-	55 536
Withholding tax under § 43 of the Income Tax Act	11	-
Deferred tax receivable	10 288	581
Motor vehicle tax	-	124
Tax liabilities	24 023	15 351
Income tax for 2008	-	10 652
Payroll tax	4 536	4 128
VAT liability	18 910	-
Other taxes and duties	577	571

Deferred tax receivable

In order to calculate the deferred tax, the 19-percent tax rate valid for 2010 was applied.

The calculation of the deferred tax receivable is given below:

Deferred tax	31.12.2009	31.12.2008
Temporary differences between the book value of assets and the book value of liabilities and their tax base		
– deductible (intangible and tangible assets)	4 715	2 165
– deductible (other)	-	895
Possibility to cover tax losses in the future	49 431	-
Temporary differences in total	**54 146**	**3 060**
Income tax rate (in %)	19%	19%
Deferred tax receivable	**10 288**	**581**

Change of the deferred tax receivable is shown in the table below:

Change of deferred tax receivable	EUR
State as of 31.12.2009	10 288
State as of 31.12.2008	581
Change	9 707
of which:	
– recorded under revenues	9 707
– recorded under shareholders' equity	-

2.4 Social Fund

The below table shows an overview of the creation of, and withdrawals from, the Social Fund during the accounting period:

Social Fund	31.12.2009	31.12.2008
As of 1 January	2 353	1 165
Creation to the debit of expenses	2 166	2 062
Withdrawals	(876)	(874)
As of 31 December	3 643	2 353

Under the Social Fund Act, the Social Fund shall be partially debited to the respective expenses account and partially created from the profit. As provided for in the Social Fund Act, withdrawals from the Social Fund shall have the form of a meal voucher contribution of 5% of the nominal value of the meal voucher.

2.5 Assets and liabilities in foreign currencies

As of 31 December 2009, the structure of assets and liabilities in foreign currencies was as follows:

Assets & liabilities in foreign currencies	Czech crown	Pound sterling	Polish zlotý	Other	EURO	Total
Assets						
Cash and cash equivalents	837	2 142	173	203	20 003	23 358
Receivables from clients	5 063	304	35	-	880	6 282
Securities for trading	-	-	-	-	13 708	13 708
Realizable securities	-	-	-	-	1 001 716	1 001 716
Receivables from banks	-	-	-	-	87 525	87 525
Tax receivables	-	-	-	-	26 577	26 577
Other assets	23 328	-	553	-	462 417	486 298
Total	**29 228**	**2 446**	**761**	**203**	**1 612 826**	**1 645 464**
Liabilities						
Tax liabilities	-	-	-	-	24 023	24 023
Other liabilities	18 417	-	491	1 464	145 039	165 411
Total	**18 417**	**-**	**491**	**1 464**	**169 062**	**189 434**

As of 31 December 2008, the structure of assets and liabilities in foreign currencies was as follows:

Assets & liabilities in foreign currencies	Czech crown	Slovak crown	Other	EURO	Total
Assets					
Cash and cash equivalents	27	58 644	466	7 447	66 584
Realizable securities	-	-	-	1 020 000	1 020 000
Tax receivables	-	56 241	-	-	56 241
Other assets	-	380 401	-	218 536	598 937
Total	**27**	**495 286**	**466**	**1 245 983**	**1 741 762**

Liabilities					
Tax liabilities	-	15 351	-	-	15 351
Other liabilities	-	190 249	-	-	190 249
Total	**-**	**205 600**	**-**	**-**	**205 600**

3. PROFIT AND LOSS STATEMENT

3.1 Income on fees and commissions

The below table provides an overview of income on fees and commissions by type of service and territory:

	Slovak Republic		Luxembourg		Czech Republic		Great Britain		Other		Total	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Mediation of financial services	12 598	19 554	172 427	8 795	-	-	-	-	-	-	185 025	28 349
Portfolio management	4 529	-	-	-	8 198	-	1 385	-	35	-	14 147	-
Other financial services	-	-	155 393	-	-	-	-	-	-	-	155 393	-
Total	**17 127**	**19 554**	**327 820**	**8 795**	**8 198**	**-**	**1 385**	**-**	**35**	**-**	**354 565**	**28 349**

3.2 Costs of fees and commissions

The below table provides an overview of the costs of fees and commissions:

Costs of fees and commissions	2009	2008
Commissions for mediation of financial services	105 664	36 175
Other	12 304	-
Total	**117 968**	**36 175**

3.3 Trading profit or loss

The below table provides an overview of trading profits and losses:

Trading profit or loss	Profit 2009	Loss 2009	Net profit (loss) 2009	Profit 2008	Loss 2008	Net profit (loss) 2008
Profit/loss on securities transactions	606	1 898	(1 292)	-	-	-
Profit/loss on foreign exchange transactions and transactions with assets and liabilities valued in foreign currencies	918	2 106	(1 188)	560	30 071	(29 511)
Profit/loss on invesment instrument interest	79 498	-	79 498	20 000	-	20 000
Total	**81 022**	**4 004**	**77 018**	**20 560**	**30 071**	**(9 511)**

3.4 Other operating revenues

Other operating revenues	2009	2008
Other operating revenues (financial services provided)	624 111	998 112
Insurance indemnities	-	4 619
Other	64	10 162
Total	**624 175**	**1 012 893**

3.5 Personnel costs

Personnel costs	2009	2008
Wages and salaries	399 271	345 125
Social and health insurance	132 745	108 385
Legal social expenses	11 804	12 033
Total	**543 820**	**465 543**
Other personnel costs	6 180	7 493
Spolu	**550 000**	**473 036**

3.6 Other operating expenses

Other operating expenses	2009	2008
Material used	24 505	16 724
Vehicles (fuel, material)	10 222	13 423
Entertainment	22 353	8 911
Postage	19 181	8 892
Phones and internet	32 316	32 947
Lease of premises	110 410	72 455
Translation services	28 779	13 309
Economic services	-	32 211
Computer servicing	31 332	30 623
Training	16 209	4 845
Unclaimed VAT - coefficient	29 793	2 354
Expenses related to reduction of the value of assets	17 792	4 448
Other operating expenses	92 647	171 265
Total	**435 539**	**412 407**

The costs of the audit of the financial statements (including other assurance services required by law) for the year ended 31 December 2009 amount to EUR 11 000 excl. VAT. No other services were provided by the auditor.

G. OTHER NOTES

1. Information on income and emoluments of members of statutory bodies, supervisory bodies and other bodies of the accounting entity

Members of the accounting entity bodies only have income from employment relationships. They receive no other benefits or emoluments as members of the statutory body and the Supervisory Board.

2. Information on economic relations of the accounting entity with related parties

Below are shown receivables from and payables to related parties:

Receivables	31.12.2008	increase	decrease	31.12.2009
SFM Group International S.A.	236 210	226 963	289 239	173 934
SFM Group, s.r.o. (Česká republika)	20 486	-	20 486	-

Payables	31.12.2008	increase	decrease	31.12.2009
SFM Group, s.r.o. (Česká republika)	-	5 436	5 320	116

The following related party transactions were undertaken by the company during the accounting period (significant transactions were undertaken only with the parent company and the affiliated company):

Transactions with parent company and affiliated company	2009	2008
Income on fees and commissions	172 427	-
Costs of fees and commissions	5 436	-
Other operating income	-	132 776

3. Average headcount

Average headcount	2009	2008
Average headcount, of whom :	25	25
managerial staff	6	6

4. Events occurring between the date as of which the financial statements are set up and the date that the financial statements are completed

No events have occurred subsequent to 31 December 2009 that would significantly affect the fair presentation of facts in the financial statements.

5. Loss/earnings per share

The calculated loss/earnings per share are contained in the following table:

Loss/earnings per share	31.12.2009
Loss/after-tax profit for the accounting period	(91 569)
Weighed share average during the year	4 500
Loss/earnings per share	(20)

6. Risk management in the Company

When carrying on its business, the Company is faced with the following basic categories of risks:
• Operating risk

Given the scope of the licence and the business conducted on the basis thereof, the Company is not subject to the following risk categories:
• Credit risk
• Market risk

but with regard to the securities dealer's obligation to proceed with professional care in the provision of investment or ancillary services and performance of investment activities so as not to disrupt the financial system safety, it is, in general, necessary to identify those risks as well, because it might happen that the Company is exposed to them in the future.

When assessing the risks, the Company complies with Measure of the National Bank of Slovakia No. 4/2007 of 13 March 2007 (the "Measure").

Credit risk

To calculate the credit risk, the Company applies a standardized approach, i.e. by assigning risk weights to the given contracting party in accordance with the Measure. The risk weight depends on the rating agencies' (ECAI) view on the given contracting party.

In order to calculate the value of risk-weighed exposures for the credit risk on a standardized approach basis, the Company determines and assigns risk weights to exposures to legal entities. Exposures to legal person entrepreneurs for which a rating by a recognized rating agency is available are assigned a risk weight according to the below table, with ratings by recognized rating agencies being divided into six levels of credit quality.

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

Exposures to legal person entrepreneurs for which no rating by a recognized rating agency (European Community, International Monetary Fund, Bank of International Settlement) is available are assigned a risk weight of 100%.

Market risk

To calculate the market risk, the Company applies a standardized approach in accordance with the Measure.

Subject to the market risk are positions recorded in the trade book, i.e.:

- positions in financial instruments or commodities held for trading on one's own account
- long position in a financial instrument or commodity recorded in the trade book, the number of units of the financial instrument or commodi ty in relation to which the Company has the status of creditor or holder.

According to the standardized approach, the Company assigns coefficients to individual positions identified in the trade book.

Operating risk

To calculate the operating risk, the Company applies the basic indicator approach in accordance with the Measure.

Based on the profit and loss statement items, the Company calculates the respective indicator as the sum of the items shown in Table 2. Each item is included in the sum.

1	Interest earnings amd similar earnings
2	Interest expenses and similar expenses
3	Earnings from shares and other securities with variable/fixed yield
4	Income on fees and commissions
5	Costs of fees and commissions
6	Net profit or loss on financial transactions
7	Other financial revenues

7. Information on the accounting entity bodies

Board of Directors Ján Jančovič - chairman
Jakub Sýkora

Supervisory Board Jana Frňková
Martin Višňovský
Derek Chambers

30.03.2010
Date of drawing up the financial statements

Signature of the statutory body

Signature of the person responsible for drawing up the financial statements

Signature of the person responsible for keeping the books

KPMG Slovensko spol. s r.o.
Mostová 2
P. O. Box 7
820 04 Bratislava 24
Slovakia

Telephone +421 2 59984 111
Fax +421 2 59984 222
Internet www.kpmg.sk

Translation of the Independent Auditors' Report originally prepared in Slovak

Independent Auditors' Report

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

We have audited the accompanying financial statements of SFM Group, o.c.p., a. s. ('the Company'), which comprise the balance sheet as at 31 December 2009, the income statement for the year then ended, and the notes to the financial statements. The financial statements of the Company for the year ended 31 December 2008 were audited by another auditor, whose report, dated 31 March 2009, expressed an unqualified opinion on those statements.

Management's responsibility for the financial statements

Management, as represented by the Board of Directors, is responsible for the preparation and fair presentation of these financial statements in accordance with the Slovak Act on Accounting. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2009 and its financial performance and cash flows for the year then ended in accordance with the Slovak Act on Accounting.

29 April 2010
Bratislava, Slovak Republic

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

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

SFM Group, o.c.p., a.s.
Aupark Tower, Einsteinova 24
851 01 Bratislava

Info line: 0800 11 11 44
www.sfmgroup.eu

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