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

ANNUAL REPORT
2010

SFM GROUP
Investment products and services

ANNUAL REPORT
2010

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CHAIRMAN´S FOREWORD

Dear Clients, Partners and Shareholders,

I am pleased to say that 2010 was a successful year for SFM Group, o.c.p., a.s. It was the company's second year operating as a securities trader and thanks to the hard work of my colleagues, excellent co-operation with partners and the trust of our clients we managed to increase the number of our regular investment product clients almost three-fold. The result of these efforts can be seen in our end-of-year figures, which show we closed the financial year with a profit of more than 500,000 EUR.

During 2010 we focused a great deal on building our product portfolio and expanding financial services. We also strove, in-keeping with the values of the company, to raise the quality and effectiveness of the provision of services by putting in place processes and systems to improve them. Among the most significant steps we took was the launch of various regular investment products within the European Union.

I also consider the continued improvement of the quality of our company's products and services to be of great importance. It is an honour and at the same time a challenge to provide securities trading services and we will make the utmost effort to strengthen the trust our partners and clients have in us.

In closing I would like to thank all our clients, partners and employees for their co-operation and significantly contributing to our mutual success in 2010, and to express my expectation of even more successful cooperation in 2011.

Ján Jančovič
Chairman of the Board

Jan Jancovic
Chairman of the Board

GENERAL INFORMATION ABOUT THE COMPANY

Seat:	Mickiewiczova 2 811 07 Bratislava Slovak Republic
ID:	35 771 801
Tax ID:	2020275587
Registered:	Companies Register District Court Bratislava I., section Sa, insertion 4532/B
Legal status:	Joint Stock Company
Main business activity:	investment services, investment activities and ancillary services under the Act No. 566/2001 Coll. on Securities and Investment Services (The Securities Act) as amended and to the following extent:

1. receiving and execution of clients' orders related to one or more financial instruments in relation to financial instruments:
   a) transferable securities,
   b) shares or securities issued by foreign collective investment entities,
2. execution of orders on behalf of clients in relation to financial instruments:
   a) transferable securities,
   b) shares or securities issued by foreign collective investment entities,
3. portfolio management relating to financial instruments:
   a) transferable securities,
   b) shares or securities issued by foreign collective investment entities,
4. investment advice in relation to financial instruments:
   a) transferable securities,
   b) shares or securities issued by foreign collective investment entities,
5. custody and administration of financial instruments on behalf of client, including custodianship and related services, mainly administration of cash and financial guarantees in relation to financial instruments:
   a) transferable securities,
   b) shares or securities issued by foreign collective investment entities,
6. investment research and financial analysis or other forms of general recommendation relating to transactions in financial instruments.

Shareholders as of 31 December 2010:	SFM Group International S.A., Grand Duchy of Luxembourg 100 %
Registered Share Capital:	1,494,000 EUR (4,500 pcs of registered shares with a nominal value of 332 EUR)
Contact:	SFM Group, o.c.p., a.s. Aupark Tower, Einsteinova 24 851 01 Bratislava 0800 11 11 44 www.sfmgroup.eu bratislava@sfmgroup.com

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

COMPANY'S VALUES

Customer Focus

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

Responsibility

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

Innovative solutions

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

Productivity

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

Solidarity

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

SENIOR MANAGEMENT AND ORGANISATIONAL STRUCTURE

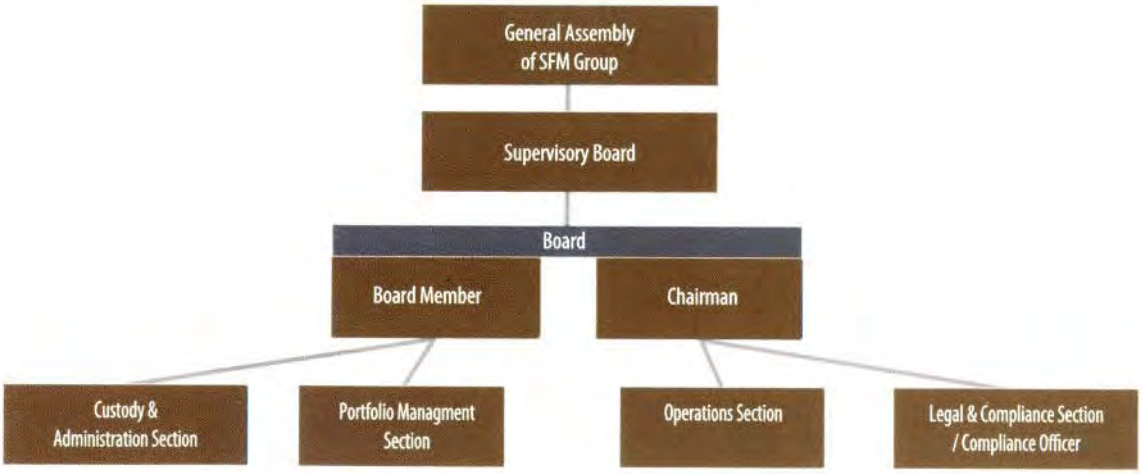
Board

Ján Jančovič	Chairman
Jakub Sýkora	Board Member

Supervisory Board

Derek Chambers
Jana Frňková
Martin Višňovský

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 2011

The goal of our company in 2011 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 in the Slovak Republic and another countries where the company is authorized for providing investment services. Also, for 2011 our intention is on-going 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 group's synergies.

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 meantime, 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 our product portfolio and the upgrading of sales and after sales service to customers.

PRODUCTS RANGE

SFM Group, o.c.p. a.s. cooperated in 2010 with business partners on the following products:

World Investment Opportunities Funds SICAV

Part of our World Funds products, the World Investment Opportunities Funds (WIOF), founded in 1999 are currently registered for public offer in a number of countries. WIOF consists of 15 sub-funds and is managed by Lemanik Asset Management Luxembourg SA. The Depositary is KBL European Private Bankers SA, part of the KBC Bank (Belgium) financial group. The WIOF 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

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

World Strategy Portfolios

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

World Shariah Funds

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

Lifestyle account (Konto života PLUS)

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

LifeFlex

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

OTHER FACTS

Human Resources

The company in 2010
- had on average 26 employees,
- had 2 newly recruited employees,
- had 1 employee that left,
- the total number of days in the year 2010, during which employees were on sick leave reached 37.

In 2011, the projected average number of employees is 28.

The impact of the company on the environment

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

Costs on research and development activities

In the financial year 2010, the company did not invest in research and development.

Information on development and financial status

In 2010, the company ended with a net profit of 552,421.93 EUR. The cooperation between SFM Group, o.c.p., a.s. and World Performance Portfolios SICAV funds and World Strategy Portfolios SICAV funds has greatly contributed to the achievement of this profit. Revenue from providing investment services in 2010 experienced high growth over the previous year, which also contributed to the positive economic results.

Overview of financial results since 2006:
- 2009 : loss 91,569 EUR,
- 2008: net profit 12,453 EUR,
- 2007: net profit of 5,354 EUR,
- 2006: net profit of 133,166 EUR.

The company reached, in 2010, the following significant revenues:
- revenues linked to the "Lifestyle Account" of 977,813 EUR,
- revenues from services provided within the fund WIOF 362,547 EUR,
- revenues from services provided within the fund WPP 569,723 EUR,
- revenues from services provided within the fund WSP 361,290 EUR,
- revenues linked to the "Life Account" of 195,617 EUR,
- revenues from investment services 117,832 EUR.

The company incurred, in 2010, the following significant costs:
- personnel costs 621,745 EUR,
- rental and related services 117,066.47 EUR,
- intermediary financial services commissions 947,090.86 EUR,
- depreciation of tangible and intangible assets 42,587.28 EUR,
- IT services 44,366.63 EUR.

Equity share of the total resources as of 31 December 2010 was 83%.

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 2010	year 2009	year 2008
271%	100%	76%

The immediate liquidity increased in 2010 by 171 percentage points compared to the previous year. Company holds more cash than was needed to cover current liabilities.

- 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 2010	year 2009	year 2008
627%	540%	785%

Current liquidity of the company increased in 2010 by 87 percentage points compared to year 2009. The company can cover short-term liabilities with liquid funds and short-term debt.

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

Overall liquidity is the ratio of current assets and short-term liabilities. It is sufficient if it reaches more than 150%.

year 2010	year 2009	year 2008
627%	540%	785%

The overall liquidity of the company increased in 2010 compared to year 2009. It exceeds the sufficient value. The company covers current liabilities with current assets.

2. Degree (coefficient) of self-financing capacity (own equity share of total equity) in %

It shows financial independence – the ability to cover liabilities with own capital. This indicator should reach at least the value of 30%.

year 2010	year 2009	year 2008
83%	89%	89%

The degree of self-financing decreased in 2010 by 6 percentage points compared to the previous year. Despite this decrease, the company has sufficient capital to cover its needs.

3. The ratio of equity to other capital

	year 2010	year 2009	year 2008
other capital (EUR)	425,352	189,434	205,600
own equity (EUR)	2,094,250	1,541,828	1,633,397
the ratio of equity to other capital in %	20%	12%	13%

The ratio of other capital to own capital increased in 2010 by 8 percentage points compared to the year 2009.

4. The degree of financial independence (the ratio of equity and loan capital) in %

This indicator is positive if greater than 200%.

year 2010	year 2009	year 2008
492%	814%	794%

In 2010, the ratio of our equity and other capital significantly decreased compared to the previous year. Despite this decrease, the degree of financial independence far exceeds the requirements for this indicator.

5. Total debt in %

The high level of indebtedness is reached when the total indebtedness exceeds 50%.

year 2010	year 2009	year 2008
17%	11%	11%

The total indebtedness of the company in 2010 increased by 6 percentage points compared to the year 2009. Despite this increase, the company still reached a low level of indebtedness.

6. Cost-intensity services

year 2010	year 2009	year 2008
0.80	1.08	1.01

In 2010 there was a significant reduction in the cost indicator compared to previous years. This decrease was expected by the company. In previous years costs were connected to a change in company activities and the implementation of new procedures.

Profit for the year 2010

The company ended the year 2010 with a profit of 552,421.93 EUR.
Proposal for profit distribution:
55,242.19 EUR – mandatory reserve fund allocation
450,000 EUR – remittance to shareholders
47,179.74 EUR – undivided profit allocation

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 statutes of the company, from the statutes of the Supervisory Board and the laws 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 Statutes, held discussions in four meetings and at these meetings, discussed among other things, financial statements, and suggestions on the distribution of profit, business plan for 2010. They decided on matters within the competence of the Supervisory Board in accordance with the Statutes and internal regulations of the company. They were continuously informed about all important facts related to the development of the company and its strategic direction.

The Financial Statements of SFM Group, o.c.p., a.s. for the year ended on 31 December 2010, were audited by KPMG Slovensko, spol. s 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 2010, truly and in all relevant circumstances in accordance with the Slovak Act on Accounting.

Against this background, the Supervisory Board recommends to the General Assembly to approve the Financial Statements for 2010 and divide profits so that the sum of 55,242.19 EUR will form the company's reserve fund allocation, the sum of 450,000 EUR will be paid to shareholders in the form of dividends and a sum of 47,179.74 EUR will form the company's undivided profit allocation.

FINANCIAL STATEMENTS

Marking	ITEM	Comment number	Current accounting period	Previous accounting period
a	b	c	1	2
			31.12. 2010	31. 12. 2009
x	**Assets**	**x**	**x**	**x**
1.	Cash and cash equivalents	F 1.1.	56 481	23 358
2.	Receivables towards clients	F 1.2.	18 722	6 282
a)	from provided investment services, other services and investment activities	F 1.2.	18 722	6 282
b)	from loans provided to clients			
3.	Securities for trading	F 1.3.	493 820	13 708
4.	Derivatives			
5.	Securities for sale	F 1.4.		1 001 716
6.	Subscribed securities for placement			
7.	Receivables towards banks	F 1.5.	1 006 041	87 525
a)	from reversed repurchase			
b)	other short-term	F 1.5.	1 006 041	87 525
c)	long-term			
8.	Loans and			
a)	reversed repurchase			
b)	other short-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
11.	Intangible assets	F 1.6.	16 236	14 737
12.	Tangible assets	F 1.6.	39 734	63 589
a)	not depreciated			
a).1.	lands			
a).2.	other			
b)	depreciated	F 1.6.	39 734	63 589
b).1.	buildings			
b).2.	other	F 1.6.	39 734	63 589
13.	Tax assets	F 2.3.	1 255	26 577
14.	Other assets	F 1.7.	887 313	486 298
	Total assets		**2 519 602**	**1 731 262**

Marking	ITEM	Comment number	Current accounting period	Previous accounting period
a	b	d	1	2
			31. 12. 2010	31. 12. 2009
x	**Liabilities**	**x**	**x**	**x**
I.	**Liabilities (sum of items 1 to 9)**		**425 352**	**189 434**
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.	272 888	165 411
8.	Subordinated financial liabilities			
9.	Tax liabilities	F 2.3.	152 464	24 023
II.	**Owners assets (sum of items 10 to 17)**	**D**	**2 094 250**	**1 541 828**
10.	Fixed assets	D	1 494 000	1 494 000
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	11 491
15.	Retained earnings or accumulated loss from previous years x/(x)	D	36 337	127 906
16.	Profit or loss from approval activities x/(x)			
17.	Profit or loss for current accounting period x/(x)	D	552 422	-91 569
	Total liabilities (I.+II.)		**2 519 602**	**1 731 262**

Statement of gains and losses during 12 months in 2010

Marking	ITEM	Comment number	Current accounting period	Previous accounting period
a	b	d	1	2
			31. 12. 2010	31. 12. 2009
1.	Income from fees and commissions	F 3.1.	1 899 403	354 565
2.	Income from interest from loans provided within investment services provided			
a.	Expenses for fees and commissions	F 3.2.	-963 999	-117 968
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		935 404	236 597
4.c.	Profit/loss from securities operations	F 3.3.	35 371	-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.	-15 966	-1 188
7.f.	Profit/loss from interests from investment instruments	F 3.3.	38 479	79 498
II.	Profit or loss from trading		57 884	77 018
8.	Interest income and similar income		3 212	84
9.	Income from deposits to fixed assets			
10.g.	Profit or loss from sale or transfer of assets			6 700
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.	821 693	624 175
i.	personnel expenses	F 3.5.	-621 745	-550 000
i.1.	salary and social expenses	F 3.5.	-615 292	-543 820
i.2.	other personnel expenses	F 3.5.	-6 453	-6 180
j	Expenses from creation of reserves for other liabilities			
k	Depreciations	F 1.6.	-42 587	-51 067
k.1.	tangible assets depreciations	F 1.6.	-38 722	-47 668
k.2.	intangible assets depreciations	F 1.6.	-3 865	-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.	-457 495	-435 539
n	Financing expenses		-4 133	-9 244
n.1.	Expenses for interests and similar expenses		-2 650	-6 451
n.2.	Taxes and fees		-1 483	-2 793
14./o.	Profit or loss share in subsidiaries and associated companies			
A.	Profit or loss for the accounting period before tax		692 233	-101 276
p.	Income tax		-139 811	9 707
p.1.	payable income tax		-130 778	
p.2.	deferred income tax		-9 033	9 707
B	Profit or loss for the accounting period after tax		552 422	-91 569

31. 3. 2011
Date of drawing up the financial statements

Signature of statutory body

Signature of person responsible
for financial statements compilation

Signature of person responsible for bookkeeping

NOTES TO THE FINANCIAL STATEMENTS AS OF 31 DECEMBER 2010

A. GENERAL INFORMATION

1. Business name and seat of the Company:

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

The company SFM Group, o.c.p., a. s. (hereinafter referred to as the "Company") was founded on August 3rd 1999 and registered in the Commercial Register on September 3rd 1999 (Commercial Register of the District Court Bratislava I in Bratislava, Section: Sa, File No.: 4532/B).

2. Core Business of the Company

The core business of the Company is the provision of investment services, investment activities, and additional services in conformity with the Act No. 566/2001 Coll. on Securities and Investment Services and amendment of some other acts, as amended, in the following extent:

- Receipt and transfer of client's instruction concerning one or more financial instruments in relation to a financial instrument;
- Execution of client's instruction for the account of the client, in relation to financial instruments;
- Portfolio management in relation to financial instruments;
- Investment consultancy in relation to financial instruments;
- Custody and administration of financial instruments for the account of the client, including the custodianship of financial instruments and related services, mainly the administration of financial means and financial collateral in relation to financial instruments;
- Execution of investment survey and financial analysis or another form of general recommendation concerning the trading of financial instruments.

The Company performs its activities mainly within the territory of the Slovak Republic and Czech Republic.

3. Legal Reason for Compilation of Financial Statements

The financial statements of the Company as per December 31st 2010 are compiled as ordinary financial statements, according to paragraph 17 section 6 of the Act of the National Council of the Slovak Republic No. 431/2002 Coll., for the accounting period from January 1st 2010 till December 31st 2010.

4. Date of Financial Statements' Approval for the Previous Accounting Period

The financial statements of the Company for the previous accounting period (as per December 31st 2009) were approved by the general meeting of the Company on June 29th 2010.

5. Information on Shareholders of Accounting Entity

Situation as per December 31st 2010	Percentage of capital stock		Voting rights
	in whole EUR	%	%
SFM Group International S.A.	1,494,000.00	100	100
Total	**1,494,000.00**	**100**	**100**

Sole shareholder of the Company is SFM Group International S.A.; the seat of this company is 10, rue Mambra, L-8246 Mamer, Luxembourgh.

6. Information on Consolidated Unit

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

B. USED ACCOUNTING PRINCIPLES AND ACCOUNTING METHODS

1. Basis Compilation of Financial Statements

Regular financial statements are compiled based on the assumption of the ongoing operation of the Company. Financial statements are compiled based on the observance of time and material connection of costs and revenues.

2. Accounting Principles and Accounting Methods

When compiling the financial statements, the Company applies accounting principles and accounting methods according to Act No. 431/2002 Coll. on Accounting, as amended, and following subsequent regulations and Measure No. MF/26307/2007-74, stipulating the details of the structure, description and content of items of individual financial statements, and the extent of data contained in required individual financial statements to be published, on framework charts of account, and accounting procedures for securities traders, as amended.

Ordinary financial statements are recognized in whole numbers in EUR.

Accounting entity consistently applied accounting methods and general accounting principles

3. The Company Valuates Assets and Liabilities

- On the date of an accounting transaction;
- On the date, as per which the financial statements are compiled.

4. Exchange-rate Differences and Foreign Currencies

The Company's declaration currency is the currency primarily valid in the country of the Company's seat; the financial statements are presented in EUR.

The Company converts assets and liabilities expressed in foreign currency (except for received and paid advance payments) to EUR using the reference exchange rate stipulated and published by the European Central Bank or National Bank of Slovakia,

- On the date foregoing the date of an accounting transaction, and
- On the date, as per which the financial statements are compiled.

At purchase and sale of foreign currency for EUR, the accounting entity uses the exchange rate applied at the purchase of such values

5. Intangible and Tangible Assets

Purchased tangible and intangible assets are valued using cost of acquisition, including the price of acquisition, and costs related to such acquisition (customs duties, transport, assembly, insurance premium, etc.).

Depreciation of intangible assets is determined based on expected period of usage and expected course of wear. The depreciation begins on the first day of the month following the month in which the intangible assets were put into usage; i.e. when the assets were ready for intended usage. The term "intangible assets" means any assets with valuation higher than EUR 2,400.00, and with serviceability period longer than one year, also for intangible assets we consider assets with valuation lower than EUR 2,400.00 and higher than EUR 450.00 with serviceability period longer than one year. Assets with value lower than EUR 450.00 and serviceability period shorter than one year are recorded as expenses only once. Expected period of usage, depreciation method and depreciation rate are listed in the following table:

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

Depreciation of intangible assets is determined based on the expected period of their usage and expected course of wear. Depreciation begins on the first day of the month following the month in which the intangible assets were put into use; i.e. when the assets were ready for intended usage. The term "tangible assets" means any assets with entry price higher than EUR 1,700.00 and operational-technical period longer than one year, as well as any asset with valuation lower than EUR 1,700.00 and higher than EUR 450.00 and usable life longer than one year. Assets with value lower than EUR 450.00 and period of usage shorter than one year are recorded as expenses only once. Expected period of usage, depreciation method, and depreciation rate are listed in the following table:

	Expected period of usage in years	Depreciation method	Annual depreciation rate in %
Technical valorization of rented assets	5	linear	20
Machinery, instruments and equipment	2;4	linear	50;25
Transport means	3; 4	linear	33,3; 25
Inventory	4; 6	linear	25; 16

6. Leasing

The Company accounted for financial leasing representing a method of the funding of assets, bearing all the significant risks being related to possessio bonorum, as well as all the advantages and economic benefits resulting from their utilization. The duration of leasing agreement is taxatively determined by the Act on Income Tax and depends on the depreciation group with which the subject of the financial leasing is included. This period corresponds with a substantial part of lifetime of the subject of financial leasing.

The Company reported such assets in its own assets, and depreciates them according to their real lifetime using the linear depreciation method.

7. Securities

A security for trading is a security held for the purpose of profit resulting from the difference between the cost of its acquisition and its selling price.

A security for sale is a security held for the purpose of trading.

The date of an accounting transaction in respect of security transfer is the date when it is credited or debited to a trader's securities account being kept at another person's facility.

A security being dedicated for trading is primarily accounted using its fair value. All the changes of its fair value are recorded in a profit and loss statement as a part of profit / loss from securities transactions.

A security for sale is recognized using its fair value. At subsequent valuation the difference from valuation is recorded as a contra entry to the account "Fund from valuation of securities in Company's equity". At a sale of such security, the difference from the valuation is reclassified from the account "Fund from valuation of securities" to profit / loss from securities transaction in the profit and loss statement.

Since the date of acquisition of a debt security an interest yield is added to its account; such interest yield should be the future cash flow from the security in question. Interest addition is recorded in a linear way using an interest rate in compliance with the issue conditions of the security in question.

8. Receivables

At the time of their occurrence, the receivables are valued using their nominal value; assigned receivables and receivables acquired through a deposit to the share capital are valued using their acquisition price, including the costs of acquisition. This valuation is reduced by doubtful and uncollectible receivables.

Value adjustments are created in relation to receivables connected with the risk that they won't be paid wholly or partly by debtor. The method of value adjustment creation in relation to receivables is based on receivable maturity if longer than the following periods:

12 months	up to amount representing 20 % of the whole receivable
24 months	up to amount representing 50 % of the whole receivable
36 months	up to amount representing 100 % of the whole receivable

9. Financial Means and their Equivalents

Financial means and their equivalents include cash money, financial means on demand deposit account in banks, and cash and investments used by the Company for cash flow management, being easily convertible to an amount of financial means know in advance during one working day, with negligible costs of transaction and bearing only insignificant risk that their value will change.

Financial means and their equivalents are valued using their nominal value. Reduction of value is expressed by a value adjustment.

10. Deferred Expenses and Accrued Revenues

Deferred expenses and accrued revenues are recognized in the amount necessary for the observance of the principle of material and time connection with the period in question.

11. Reserves

A reserve is created if there could be potential liability or other obligation of uncertain amount or maturity, as the result of past events; the particular creditor or authorized person needn't be known. The probability of decrease of sources including economic benefits, which will be necessary for the fulfilment of such obligation exceeds 50 % and it is possible to estimate the decrease.

A reserve is created crediting an obligation account it is related to and as a contra entry to the an expenses account, on which the obligation in question would be recorded.

12. Liabilities

At the time of their occurrence the liabilities are valued using their nominal value; at the time of their assumption the liabilities are valued using their acquisition cost. If it is found during a reconciliation that the amount of liabilities differs from the amount in bookkeeping, the liabilities will be listed in the bookkeeping and financial statements using such valuation.

13. Deferred Taxes

Deferred taxes (deferred tax receivable and deferred tax liability) refers to the following items:

a) Temporary differences between the equity book value and book value of liabilities as recognized in a balance sheet and their tax base;
b Possibility to amortize the tax loss in the future, i.e. the possibility to deduct a tax loss from the tax base in the future;
c) Possibility to transfer unexploited tax deductions and other tax claims to future periods

14. Accrued Expenses and Deferred Revenues

Accrued expenses and deferred revenues are recognized in the amount necessary for the observance of the principle of material and time connection with the period in question.

15. Costs, Revenues and their Accruals / Deferrals

Generally, costs and revenues are recorded using additions and debiting the account (if it is an expenses account) or crediting an account (if it is revenue account). Only a correction of an entry or its transfer to a definite balance sheet account is accounted for to the opposite side of an account. When accounting for transactions including property or liabilities (valuations), an addition and disposals are accounted for in a balancing manner – an addition crediting an account in question and a disposal debiting such account. Account balance is recognized as profit or loss, according to the balance amount.

Costs and revenues are always recorded in a period in terms corresponding in terms of time and subject matter. Adjustments of significant errors of previous accounting periods are recorded on the account "undistributed profit from previous years or undistributed loss from previous years".

The criterion for accounting for accounting transactions involving accruals and deferrals is the fact that their substantive content, amount, and period they related to are known. Accounting entity monitors the accruals and deferrals of costs and revenues on a monthly basis. Costs and revenues, whose proportion per month exceeds EUR 10.00, are included into monthly accruals and deferrals.

16. Clients´ Assets

Clients´ assets and obligations concerning assets are assets the clients gave to keep to a securities trader within the framework of the provision of investment services, or which have been obtained by a securities trader within the framework of the provision of investment services to clients, and obligations concerning the reversion of such assets.

Assets in portfolio handed over for management is valued using fair value, always on the last day of the month.

17. Account off balance sheets

Off balance sheet accounting of an accounting entity includes the following items:

- Receivables and obligations resulting from a lien, transfer of ownership title as a collateral and from other collaterals – assets received as a collateral and assets provided as a collateral, as well as liabilities concerning all types of funded credit protection. Items used as a collateral are recorded using fair value;
- Clients´ assets and liabilities concerning such assets – property taken for safekeeping, administration, deposition, being handled within the frame of a portfolio taken for management, property given for the purpose of the acquisition of security purchase or sale for a client; in such cases the benefits for client from provided investment service (for example collection of dividend from an administered share) and property procured for a client are accounted for. The clearance with a market of business transactions performed for the account of client;
- Written-off receivables.

C. INFORMATION ON CASH FLOWS

	2010	2009
Cash flows from operating activities		
Profit or loss for accounting period before taxation	692,233	(101,276)
Increase / decrease by non-financial operations		
Depreciations	42,587	51,067
Additions to reserves	6,816	(4,005)
Costs of assets value decrease	-	17,792
Profit or loss from operations involving foreign currencies and assets and liabilites valued using foreign currency	15,966	1,188
Profit of loss from sale of intangible and tangible assets	-	(6,700)
Interest accounted for to costs	2,650	6,451
Interest accounted for to income	(41,692)	(79,582)
Decrease of amounts of receivables towards the clients	(12,440)	(6,282)
Increase of value of securities for trading	(496,078)	(13,708)
Increase of amounts of receivables towards the banks	(918,516)	(87,525)
Decrease of value of other assets and other tax receivables	(401,005)	149,308
Decrease of value of other liabilities	126,941	11,612
Paid interests	(2,650)	(6,451)
Received interests	41,692	79,866

Returned tax / Paid tax	15,737	(26,930)
Net cash flows from operations	**(927,759)**	**(15,175)**
Cash flows from investment activities		
Purchase of intangible and tangible assets	(12,759)	(7,256)
Income from sale of intangible and tangible assets	-	6,700
Purchase of securities for sale	-	-
Sale of securities dedicated for sale	1,001,716	18,000
Net cash flows from investment activities	**988,957**	**17,444**
Cash flows from financial activities		
Installments for financial leasing	(28,075)	(45,495)
Net cash flows from financial activities	**(28,075)**	**(45,495)**
Increase (decrease) of financial means and equivalents of financial means	33,123	(43,226)
Financial means and their equivalents at the beginning of the year	23,358	66,584
Financial means and their equivalents at the end of the year	**56,481**	**23,358**

D. INFORMATION ON CHANGES OF EQUITY

Information on changes of equity during the current accounting period is presented in the following table:

ITEM	Joint capital EUR	Reserve funds EUR	Funds from valuation EUR	Undistributed profits EUR	Total in EUR
Situation as per December 31 2009	**1,494,000**	**11,491**	**-**	**36,337**	**1,541,828**
Changes in accounting policy	-	-	-	-	-
Adjusted situation as per December 31 2009	**1,494,000**	**11,491**	**-**	**36,337**	**1,541,828**
Differences in valuation from valuation of securities dedicated for sale	-	-	-	-	-
Other differences in valuation	-	-	-	-	-
Tax accounted for on equity items	-	-	-	-	-
Changes of net business capital without profit for current accounting period	**1,494,000**	**11,491**	**-**	**36,337**	**1,541,828**
Profit / loss of current accounting period	-	-	-	552,422	552,422
Total change of net business capital	**1,494,000**	**11,491**	**-**	**588,759**	**2,094,250**
Distribution of profit / loss	-		-		-
Increase of joint capital	-	-	-	-	-
Situation as per December 31 2010	**1,494,000**	**11,491**	**-**	**588,759**	**2,094,250**

Based on the resolution of the general meeting, which took place on June 29 2010, the following decision was made concerning the loss of the Company for 2009 – representing EUR 91,569.00:

- loss of the Company for the financial year 2009 will be charged with undistributed profit for 2005 and with part of undistributed profit for 2006.

Information of changes of equity during the previous accounting period is listed in the following table:

ITEM	Joint capital EUR	Reserve funds EUR	Funds from valuation EUR	Undistributed profits EUR	Total in EUR
Situation as per December 31 2008	**1,493,726**	**10,246**	-	**129,425**	**1,633,397**
Changes in accounting policy	-	-	-	-	-
Adjusted situation as per December 31 2008	**1,493,726**	**10,246**	-	**129,425**	**1,633,397**
Differences in valuation from valuation of securities dedicated for sale	-	-	-	-	-
Other differences in valuation	-	-	-	-	-
Tax accounted for on equity items	-	-	-	-	-
Changes of net business capital without profit for current accounting period	**1,493,726**	**10,246**	-	**129,425**	**1,633,397**
Loss of current accounting period	-	-	-	(91,569)	(91,569)
Total change of net business capital	**1,493,726**	**10,246**	-	**37,856**	**1,541,828**
Distribution of profit / loss	-	1,245	-	(1,245)	-
Increase / decrease of joint capital	-	-	-	-	-
Change due to transition to EUR	274	-	-	(274)	-
Situation as per December 31 2009	**1,494,000**	**11,491**	-	**36,337**	**1,541,828**

In connection with the transition to the EUR, the Company made the decision that the nominal value of shares will be rounded upwards to whole EUR using the exchange rate (EUR 1 = SKK 30.1260). The positive difference of capital stock, which originated after the exchange (EUR 274.00) has been paid from undistributed profit from previous years.

Based on the resolution of the general meeting, which took place on June 23 2009, the profit the Company recognized for 2008 – profit after taxation, representing EUR 12,453.00, was distributed as follows:

- a part representing the amount of EUR 1,245.00 as a supplementation of the reserve fund;
- the remainder representing the amount of EUR 11,207.00 was recognized as undistributed profit from previous years.

E. INFORMATION ON CLIENTS´ ASSETS

The Company accounts for clients´ assets in off balance sheet records.

Item	December 31 2010	December 31 2009
Clients´assets		
Clients´ financial means	290,521	88,020
Clients´s securities	2,008,091	174,409
Clients´ receivables towards the market	264,612	-
Total clients´ assets	**2,563,224**	**262,429**

Liabilities towards clients from assets given into custody		
Liabilities from clients´ financial means	290,521	88,020
Liabilities from clients´ securities	2 272,703	174,409
Total liabilities towards clients from assets given into custody	2 563,224	262,429

Clients´ financial means are valued using their nominal value; clients´ securities are valued using their fair value.

F. NOTES TO ITEMS OF THE FINANCIAL STATEMENTS AND TO ITEMS OF THE PROFIT AND LOSS ACCOUNT

1. ASSETS

1.1 Financial means and their equivalents

Till money, valuables and accounts in banks payable on demand, being used by a securities trader for cash flow management are recognized as financial means and their equivalents.

1.1 Financial means and equivalents of financial means	December 31st 2010	December 31st 2009
Till money	6,863.00	6,680.00
Demand deposit accounts in banks	49,618.00	16,678.00
Total	**56,481.00**	**23,358.00**

1.2 Receivables towards clients

Receivables towards clients according to main territories are listed in the following table:

Receivables towards clients	December 31st 2010	December 31st 2009
Receivables towards clients - Slovak Republic	3,133.00	880.00
Receivables towards clients - Czech Republic	14,174.00	5,063.00
Receivables towards clients - Great Britain	1,351.00	304.00
Receivables towards clients - Poland	64.00	35.00
Total	**18,722.00**	**6,282.00**

1.3 Securities for trading

Shares in mentioned funds are recognized as securities for trading:

Securities for trading	ISIN	December 31st 2010	December 31st 2009
Central & Eastern Europe Real Estate Fund	MT0000076423	11,427.00	13,708.00
WIOF Emerging Europe Perform. Fund I.	LU0494361149	160,039.00	-
WSF - RELIANCE GLOBAL CLASS I.	GG00B4Q85X38	167,789.00	-
WSF - ASIAN PACIFIC CLASS I.	GG00B4LF6141	154,565.00	-
Total		**493,820.00**	**13,708.00**

1.4 Securities for sale

A debt security issued by the following fund recognized as a security for sale:

Securities for sale	ISIN	December 31st 2010	December 31st 2009
Zero Load Securitisation Fund	LU0387440326 3	-	1,001,716.00

Zero Load security has been paid in full extent in the first half year 2010.

1.5 Receivables towards banks

Receivables towards banks	December 31st 2010	December 31st 2009
Saving account 4009271729 ČSOB	506,041.00	87,525.00
Special term deposit 2284-70716901 PB	300,000.00	-
Special term deposit 2284-70513901 PB	200,000.00	-
Total	**1,006,041.00**	**87,525.00**

The Company has the following accounts / deposits:

- Saving account in ČSOB a.s. 7 days period of notice;
- Special term deposit with account number 2284-70716901 in Privatbank with period of firmness from December 13th 2010 till June 12th 2011.
- Special term deposit with account number 2284-70513901 in Privatbank with period of firmness from December 13th 2010 till March 13th 2011.

1.6 Intangible and tangible assets

Information on movements of intangible assets within the period from January 1st 2010 till December 31st 2010 is listed in the following table:

Type		Acquisition cost	Adjustments	Residential price
Intangible assets	**January 1st 2010**	**19,094.00**	**4,357.00**	**14,737.00**
	+ increases	**5,364.00**	**3,865.00**	
	- decreases	**0**	**0**	
	+/- transfer	**0**	**0**	
	December 31st 2010	**24,458.00**	**8,222.00**	**16,236.00**
Software	January 1st 2010	18,136.00	3,399.00	14,737.00
	+ increases	5,364.00	3,865.00	
	- decreases	0	0	
	+/- transfer	0	0	
	December 31st 2010	23,500.00	7,264.00	16,236.00
Other intangible assets	January 1st 2010	958.00	958.00	0
	+ increases	0	0	
	- decreases	0	0	
	+/- transfer	0	0	
	December 31st 2010	958.00	958.00	0
Acquisited intangible assets	**January 1st 2010**	**0**	**0**	**0**
	+ increases	**0**	**0**	
	- decreases	**0**	**0**	
	+/- transfer	**0**	**0**	
	December 31st 2010	**0**	**0**	**0**

Information on movements of intangible assets within the comparative period from January 1 2009 till December 31 2009 is listed in the following table:

Type		Acquisition cost	Adjustments	Residential price
Intangible assets	**January 1st 2009**	**958.00**	**958.00**	-
	+ increases	**7,256.00**	**3,399.00**	
	- decreases	-	-	
	+/- transfer	**10 880.00**	-	
	December 31st 2009	**19,094.00**	**4,357.00**	**14,737.00**
Software	January 1st 2009	-	-	-
	+ increases	7,256.00	3,399.00	
	- decreases	-	-	
	+/- transfer	10,880.00	-	
	December 31st 2009	18,136.00	3,399.00	14,737.00
Other intangible assets	January 1st 2009	958.00	958.00	-
	+ increases	-	-	
	- decreases	-	-	
	+/- transfer	-	-	
	December 31st 2009	958.00	958.00	
Acquisited intangible assets	**January 1st 2009**	**10,880.00**	-	**10 880**
	+ increases	**7,256.00**	-	
	- decreases	**(7,256.00)**	-	
	+/- transfer	**(10,880.00)**	-	
	December 31st 2009		-	-

Information on movements of tangible assets within the period from January 1st 2010 till December 31st 2010 is listed in the following table:

Type		Acquisition cost	Adjustments	Residential price
Tangible assets	**January 1st 2010**	**268,497.00**	**204,908.00**	**63,589.00**
	+ increases	**7,395.00**	**38,722.00**	
	- decreases	-	-	
	+/- transfer	**7,472.00**	-	
	December 31st 2010	**283,364.00**	**243,630.00**	**39,734.00**
Machinery, instruments and equipment	January 1st 2010	131,629.00	116,810.00	14,819.00
	+ increases	4,917.00	13,998.00	
	- decreases	-	-	
	+/- transfer	7,472.00	-	
	December 31st 2010	144,018.00	130,808.00	13,210.00
Transport means	January 1st 2010	79,668.00	57,475.00	22,193.00
	+ increases	-	13,892.00	
	- decreases	-	-	
	+/- transfer	-	-	
	December 31st 2010	79,668.00	71,367.00	8,301.00
Inventory	January 1st 2010	38,616.00	23,809.00	14,807.00
	+ increases	2,478.00	7,115.00	
	- decreases	-	-	
	+/- transfer	-	-	
	December 31st 2010	41,094.00	30,924.00	10,170.00

Other tangible assets	January 1st 2010	18,584.00	6,814.00	11,770.00
	+ increases	-	3,717.00	
	- decreases	-	-	
	+/- transfer	-	-	
	December 31st 2010	18,584.00	10,531.00	8,053.00
Acquisited tangible assets	**January 1st 2010**	**7,472.00**	**-**	**7,472.00**
	+ increases	**-**	**-**	
	- decreases	**-**	**-**	
	+/- transfer	**(7,472.00)**	**-**	
	December 31st 2010		**-**	**-**

No adjustment was created for any intangible or tangible assets.

The Company rents (financial leasing; the agreements were concluded after January 1 2004) one private car with acquisition cost of EUR 24,902.00 (residential price as per December 31 2010 is EUR 8,301.00), information technique with acquisition cost of EUR 19,774.00 (residential price as per December 31 2010 is EUR 2,197.00) and furniture with acquisition cost of EUR 20,323.00 (residential price as per December 31st 2010 is EUR 5,542.00) recognized as its assets.

The tangible assets of the Company are insured with Allianz – Slovenská poisťovňa, a.s. insurance company; insured amount is EUR 132,776.00; the assets in financial leasing are insured separately.

Information on movements of tangible assets within the comparative period of January 1st 2009 till December 31st 2009 is listed in the following table:

Type		Acquisition cost	Adjustments	Residential price
Tangible assets	**January 1st 2009**	**265,383.00**	**179,028.00**	**86,355.00**
	+ increases	**24,902.00**	**47,668.00**	
	- decreases	**21,788.00**	**21,788.00**	
	+/- transfer	**-**	**-**	
	December 31st 2009	**268,497.00**	**204,908.00**	**63,589.00**
Machinery, instruments and equipment	January 1st 2009	131,629.00	97,315.00	34,314.00
	+ increases	-	19,495.00	
	- decreases	-	-	
	+/- transfer	-	-	
	December 31st 2009	131,629.00	116,810.00	14,819.00
Transport means	January 1st 2009	76,554.00	64,253.00	12,301.00
	+ increases	24,902.00	15,010.00	
	- decreases	21,788.00	21,788.00	
	+/- transfer	-	-	
	December 31st 2009	79,668.00	57,475.00	22,193.00
Inventory	January 1st 2009	38,616.00	14,363.00	24,253.00
	+ increases	-	9,446.00	
	- decreases	-	-	
	+/- transfer	-	-	
	December 31st 2009	38,616.00	23,809.00	14,807.00
Other tangible assets	January 1st 2009	18,584.00	3,097.00	15,487.00
	+ increases	-	3,717.00	
	- decreases	-	-	
	+/- transfer	-	-	
	December 31st 2009	18,584.00	6,814.00	11,770.00

Acquisited tangible assets	**January 1st 2009**	-	-	-
	+ increases	**7,472.00**	-	
	- decreases	-	-	
	+/- transfer	-	-	
	December 31st 2009	**7,472.00**	-	**7,472.00**

1.7 Other assets

The term "other assets" means the following items:

Other assets	**December 31st 2010**	**December 31st 2009**
Various debtors	831,114.00	432,806.00
Deferred expenses	6,311.00	32,323.00
Advance payments made - long-term	20,978.00	20,978.00
Advance payments made - short-term	27,776.00	63.00
Accrued revenues	1,032.00	1.00
Other	102.00	127.00
Total	**887,313.00**	**486,298.00**

Age structure of various debtors is presented in the following survey:

Various debtors					
Due			**Overdue**		
	up to 30 days	**31 - 90 days**	**91 - 180 days**	**181 - 360 days**	**Total**
360,984.00	42,038.00	100,204.00	93,532.00	234,356.00	831,114.00

As per December 31st 2010 no adjustments to "Various debtors" item were created as there was no reason for their creation.

Information on deferred expenses is presented in the following table:

Deferred expenses	**December 31st 2010**	**December 31st 2009**
Deferred expenses - rent	-	26,989.00
Insurance premium	4,115.00	3,491.00
Software updating	1,014.00	1,014.00
Other	1,182.00	829.00
Total	**6,311.00**	**32,323.00**

Paid long-term advance payments result from long-term advance payment paid for the rent of real estates.

2. LIABILITIES

2.1 Other liabilities towards banks

As per December 31st 2010 the Company has one overdraft facility provided by Privatbanka; as per December 31st 2010 this amount hasn't been drawn. Credit limit of this overdraft facility represents EUR 33,000.00 and its final maturity date is May 18 2011. This credit is secured by lien over receivables representing total value of EUR 36,300.00.

2.2 Other liabilities

Other liabilities	December 31st 2010	December 31st 2009
Suppliers	180,001.00	44,040.00
Liabilities from financial leasing	11,310.00	39,385.00
Liabilities towards employees	30,168.00	26,474.00
Liabilities towards Social Insurance Agency and health insurance companies	17,852.00	16,219.00
Deferred expenses	2,497.00	15,680.00
Social fund	4,274.00	3,643.00
Reserves	26,786.00	19,970.00
Total - other liabilities	**272,888.00**	**165,411.00**

Any other liabilities are due.

Information on reserves is presented in the following table:

Reserves	as per December 31st 2009	Creation	Usage	Cancellation	as per December 31st 2010
Wages for holidays, including social security	13,034.00	19,250.00	12,567.00	467.00	19,250.00
Audit	6,600.00	7,200.00	6,600.00	-	7,200.00
Reserve for publication of financial statements and their deposition to a collection of deeds	166.00	166.00	100.00	66.00	166.00
Other	170.00	170.00	137.00	33.00	170.00
Total	**19,970.00**	**26,786.00**	**19,404.00**	**566.00**	**26,786.00**

Reserve is created crediting an account of corresponding liability type and recorded as a contra entry to an expenses account, to which a corresponding liability would be recorded as a contra entry.

2.3 Tax receivables and tax liabilities

Tax receivables and tax liabilities	December 31st 2010	December 31st 2009
Tax receivables	**1,255.00**	**26,577.00**
Tax advance payments according to paragraph 42 of the Act on Income Tax	-	16,278.00
Withholding tax according to paragraph 43 of the Act on Income Tax	-	11.00
Deferred income tax assets	1,255.00	10,288.00
Tax liabilities	**152,464.00**	**24,023.00**

Income tax for the year 2010	130,237.00	-
Tax from dependent activity	5,259.00	4,536.00
Tax liability concerning VAT	16,391.00	18,910.00
Other taxes and fees	577.00	577.00

Deferred income tax assets
Deferred tax was calculated using the 19 % tax rate valid for 2010.

Calculation of deferred tax assets is presented in the following survey:

Deferred tax	**December 31st 2010**	**December 31st 2009**
Temporary differences between assets book value and liabilities book value assets and tax base		
- Deductible items (intangible and tangible assets)	6,606.00	4,715.00
- Deductible items (other)	-	-
Possibility to amortize a tax loss in the future	-	49,431.00
Temporary differences - total	**6,606.00**	**54,146.00**
Income tax rate (in %)	19%	19%
Deferred income tax assets	**1,255.00**	**10,288.00**

Change of deferred tax assets is presented in the following survey:

Change of deferred tax assets	**EUR**
Situation as per December 31st 2010	1 255
Situation as per December 31st 2009	10 288
Change	**(9 033)**
of which:	
- recorded as revenue	(9 033)
- recorded to equity	-

2.4 Social fund

Creation and withdrawal of social fund during the accounting period are presented in the following table:

Social fund	**2010**	**2009**
Situation as per January 1st	3,643.00	2,353.00
Creation debeting the costs	2,474.00	2,166.00
Withdrawals	(1,843.00)	(876.00)
Situation as per December 31st	**4,274.00**	**3,643.00**

According to the Social Fund Act, part of the social fund must be created debiting the costs and another part of the social fund can be created from profit. According to the Social Fund Act, the social fund is drawn down in the form of allowance for luncheon vouchers representing 10 % of voucher nominal value.

2.5 Assets and liabilities in foreign currency

Structure of financial assets and financial liabilities in foreign currency as per December 31st 2010:

Assets and liabilities in foreign currency	CZK	GBP	PLN	USD	Other	EUR	Total
Assets							
Financial means and their equivalents	1,118.00	1,067.00	270.00	743.00	217.00	53,066.00	56,481.00
Receivables towards clients	14,174.00	796.00	63.00	406.00		3,283.00	18,722.00
Securities dedicated to trading	-	-	-	322,354.00	-	171,466.00	493,820.00
Receivables towards banks	-	-	-		-	1,006,041.00	1,006,041.00
Tax receivables	-	-	-		-	1,255.00	1,255.00
Other assets	121,866.00	21,362.00	358.00	7,290.00	-	736,437.00	887,313.00
Total	**137,158.00**	**23,225.00**	**691.00**	**330,793.00**	**217.00**	**1,971,548.00**	**2,463,632.00**
Liabilities							
Tax liabilities	–	-	-		-	152,464.00	152,464.00
Other liabilities	132,037.00	-	358.00	674.00	-	139,819.00	272,888.00
Total	**132,037.00**	**-**	**358.00**	**674.00**	**-**	**292,283.00**	**425,352.00**

Structure of financial assets and financial liabilities in foreign currency as per December 31st 2009 is presented in the following table:

Assets and liabilities in foreign currency	CZK	GBP	PLB	Other	EUR	Total
Assets						
Financial means and their equivalents	837.00	2,142.00	173.00	203.00	20,003.00	23,358.00
Receivables towards clients	5,063.00	304.00	35.00	-	880.00	6,282.00
Securities for trading	-	-	-	-	13,708.00	13,708.00
Securities for sale					1,001,716.00	1,001,716.00
Receivables towards banks	-	-	-	-	87,525.00	87,525.00
Tax receivables	-	-	-	-	26,577.00	26,577.00
Other assets	23,328.00	-	553.00	-	462,417.00	486,298.00
Total	**29,228.00**	**2,446.00**	**761.00**	**203.00**	**1,612,826.00**	**1,645,464.00**
Liabilities						
Tax liabilities	–	-	-	-	24 023.00	24 023.00
Other liabilities	18,417.00	-	491.00	1,464.00	145,039.00	165,411.00
Total	**18,417.00**		**491.00**	**1,464.00**	**169,062.00**	**189,434.00**

3. PROFIT AND LOSS ACCOUNT

3.1 Income from fees and commissions

Income from fees and commissions are presented in the following table, divided by type of services and by main territories:

Period	2010			2009		
Type of service	Mediation of financial services	Portfolio management	Other financial services	Mediation of financial services	Portfolio management	Other financial services
Slovak Republic	2,251.00	26,262.00	1,802.00	12,598.00	4,529.00	-
Luxembourg	651,480.00	-	1,081,432.00	172,427.00	-	155,393.00
Czech Republic	-	75,204.00	1,687.00	-	8,198.00	-
Great Britain	-	15,708.00	-	-	1,385.00	-
Guernsey	42,919.00	-	-	-	-	-
Poland	-	658.00	-	-	35.00	-
Total	**696,650.00**	**117,832.00**	**1,084,921.00**	**185,025.00**	**14,147.00**	**155,393.00**
Total		**1 899 403**			**354 565**	

3.2 Costs of fees and commissions

Information on costs of fees and commissions is presented in the following table:

Costs of fees and commissions	2010	2009
Commissions for mediation of financial services	947,091.00	105,664.00
Other	16,908.00	12,304.00
Total	**963,999.00**	**117,968.00**

3.3 Profit or loss from trading

Information on profit or loss from trading is presented in the following table:

Profit or loss from trading	Profit - 2010	Loss - 2010	Net profit (loss) - 2010	Profit - 2009	Loss - 2009	Net profit (loss) - 2009
Profit / loss from operations with securities	66,909.00	31,538.00	35,371.00	606.00	1,898.00	(1,292.00)
Profit / loss from operations with foreign currencies and with assets and liabilities valuated using foreign currency	44,545.00	60,511.00	(15,966.00)	918.00	2,106.00	(1 188)
Profit / loss from interests from investment instruments	38,479.00	-	38,479.00	79,498.00	-	79,498.00
Total	**149,933.00**	**92,049.00**	**57,884.00**	**81,022.00**	**4,004.00**	**77,018.00**

3.4 Other operating income

Other operating income	2010	2009
Operating income (provided financial services)	821,554.00	624,111.00
Other	139.00	64.00
Total	**821,693.00**	**624,175.00**

3.5 Staff costs

Staff costs	2010	2009
Wages and salaries	451,408.00	399,271.00
Costs of social and health insurance	150,767.00	132,745.00
Lawful social welfare expenditure	13,117.00	11,804.00
Total - wages and salaries plus costs of social and health insurance	**615,292.00**	**543,820.00**
Other staff costs	6,453.00	6,180.00
Total	**621,745.00**	**550,000.00**

3.6 Other operating costs

Other operating costs	2010	2009
Material consumption	18,132.00	24,505.00
Consumption - vehicles (fuels, material for vehicles)	9,336.00	10,222.00
Entertainment expenses	28,342.00	22,353.00
Postal charges	3,754.00	19,181.00
Phone and internet	34,249.00	32,316.00
Rent	110,590.00	110,410.00
Translation services	20,160.00	28,779.00
Computer services and servicing	44,367.00	31,332.00
Training courses	25,546.00	16,209.00
Clearing of unclaimed VAT - coefficient	50 044	29,793.00
Costs of adjustment creation and depreciation of receivables	-	17,792.00
Other operating costs	112,975.00	92,647.00
Total	**457,495.00**	**435,539.00**

Costs of financial statements audit (including other assurance services required by the law) for the year ending December 31 2010 represent EUR 12,152.00 excluding VAT. No other services have been provided by auditor.

G. OTHER NOTES

1. Information on income and benefits of members of statutory bodies and other bodies of the accounting entity.

Members of the statutory and supervisory bodies of the Company get no income resulting from their activity in these bodies; all their income result only from labour relations.

2. Information on economic relationship of the accounting entity and related persons.

Receivables and liabilities towards relative persons are presented in the following table:

Receivables	December 31st 2009	Increases	Decreases	December 31st 2010
SFM Group International S.A.	173,934.00	97,337.00	141,157.00	130,114.00
Advisor Services International, s.a.r.l.	32,322.00	979,833.00	864,691.00	147,464.00

Liabilities	December 31st 2009	Increases	Decreases	December 31st 2010
SFM Group, s.r.o. (Czech Republic)	116.00	62,450.00	32,703.00	29,863.00

During the accounting period the Company made the following transactions with related persons:

Transactions with related persons	2010	2009
Income from fees and commissions	1,062,645.00	288,455.00
Costs of fees and commissions	62,716.00	5,436.00

3. Draft distribution of profit of current period

Draft distribution of profit of current period	
Reserve fund	5,524.00
Dividends	470,000.00
Undistributed profit of past years	76,898.00
Profit for current accounting period 2010	**552,422.00**

4. Average number of employees

Average number of employees	2010	2009
Average number of employees	26	25
Managers (thereof)	6	6

5. Information on events, which occurred between the date of the financial statements being compiled and the date of financial statements compilation.

After December 31 2010, no fact occurred that significantly affects the true presentation of facts that are the subject matter of the accounting.

6. Profit / loss per share

Calculation of profit / loss per share is presented in the following survey:

Profit / loss per share	December 31st 2010	December 31st 2009
Profit / loss for accounting period after taxation	552,422.00	(91,569.00)
Weighted averige of shares during the year	4,500.00	4,500.00
Profit / loss per share	**123.00**	**(20.00)**

7. Risk management in the Company

During its business activities, the company bears operational risks.

In respect of licence extent and business activities performed based on the licence, the Company doesn't bear the following risk groups:
- credit risk;
- market risk.

However, regarding the securities trader's obligation to act when providing investment services or additional services, and performing investment activities with professional care and in such manner that the security of the financial system isn't affected, at the general level it is necessary to also identify and determine these risks, as it is possible that in the future the Company could bear such risks.

When calculating risks, the Company follows Measure of the National Bank of Slovakia No. 4/2007 from March 13th 2007 (hereinafter referred to as the "measure").

Credit risk

For the purposes of credit risk calculation, the Company uses a standardized approach that means it assigns the risk weights to specific contracting party in compliance with the above-mentioned measure. Risk weight depends on the view of the rating agencies (ECAI) on the contracting party in question.

To calculate the values of risk-weighted exposures using standardized approach for credit risk, the Company determines risk weights and assigns them to exposures towards legal entities. Risk weight according to the enclosed table are assigned to exposures towards legal entities – entrepreneurs with known rating determined by certified rating agency, in accordance with the classification of rating of certified rating agencies to six levels of credit quality scale.

Credit quality level	1	2	3	4	5	6
Risk weight	20%	50%	100%	100%	150%	150%

Risk weight 100% is assigned to exposures towards legal entities with an unknown rating of a certified rating agency (European Community, International Monetary Fund, Bank of International Settlement).

Market risk

The company for the purposes of market risk calculation use a standardized approach in terms of measure.

Market risk includes the following positions recorded in the account book:

- position in financial instruments or commodities held for trading on own account;
- long-term position in a financial instrument or commodity, recorded in a commercial book; number of financial instruments or commodities towards which the Company is creditor or owner.

Following the standardized approach, the Company assigns coefficients to individually identified positions in a business book based on the above-mentioned measure.

Operational risk

To calculate operational risk, the Company chose the basic indicator approach, following the above-mentioned measure.

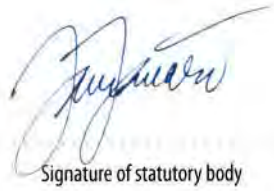
Based on accounting items of the profit and loss account, in the Company an indicator in question is calculated as the summary of items presented in the following table. Each item is included in the summary.

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

8. Information on bodies of accounting entity

Board of Directors	Ján Jančovič - Chairman Jakub Sýkora
Supervisory Board	Jana Frňková Martin Višňovský Derek Chambers

31. 3. 2011
Date of drawing up the financial statements



Signature of statutory body

Signature of person responsible
for financial statements compilation

Signature of person responsible for bookkeeping

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

Independent Auditors' Report

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

We have audited the accompanying financial statements of SFM Group, o.c.p., a. s. ('the Company'), which comprise the balance sheet as at 31 December 2010, the income statement for the year then ended, and the notes to the financial 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 2010 and its financial performance and cash flows for the year then ended in accordance with the Slovak Act on Accounting.

8 April 2011
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

KPMG Slovensko spol. s r.o., a Slovak limited liability company and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Obchodný register Okresného súdu Bratislava I, oddiel Sro, vložka č. 4864/B
Commercial register of District court Bratislava I, section Sro, file No. 4864/B

IČO/Registration number: 31 348 238
Evidenčné číslo licencie audítora: 96
Licence number of statutory auditor: 96

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The Art of Investment