

**BALTIC FINANCIAL ADVISORS
ASSOCIATION
Unified Registration No.
40008245091**

Annual Report 2018

Riga, 2019

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General Information about the Association

<i>Name of the Association:</i>	Baltic Financial Advisors Association
<i>Legal address of the Association:</i>	Doma laukums 8A-6, Riga, LV-1050, Latvia
<i>Basic activity:</i>	The introduction of a voluntary licensing system
<i>Registration number and the date:</i>	40008245091, 04.12.2015
<i>40008245091</i>	
	<i>from:</i> 1st January 2018
	<i>to:</i> 31th December 2018
<i>The Board:</i>	with the rights to represent only together with three Management Board members
	Member of the Board Ignotas Marius, in duty from 3 April 2018
	Member of the Board Hallang Sille, in duty from 3 April 2018
	Member of the Board Misiņš Pāvils, in duty from 3 April 2018
	Member of the Board Mikhel Mandre in duty from 3 April 2018
	Member of the Board Rolandas Juteika in duty from 3 April 2018
	Member of the Board Anželika Dobrovoļska in duty from 3 April 2018
<i>Auditor:</i>	LLC "MGS Birojs" Registration No. 40003647598 Commercial Company of Certified Auditors License No. 148 Dzelzavas Street 74, Riga, LV-1082 Ingura Doble Latvian Certified Auditor Certificate No. 176

Balance Sheet as at December 31, 2018 and December 31, 2017

ASSETS	Note No.	2018 EUR	2017 EUR
Long-term Investments			
I. Intangible Assets	1	121 055	89 267
II. Fixed Assets	2	5 681	7 019
Other Fixed Assets		5 681	7 019
Fixed Assets Total		126 736	96 286
Current Assets			
II. Debtors		44 458	13 594
IV. Cash		30 960	36 604
Current Assets Total		75 418	50 198
Assets Total		202 154	146 484

LIABILITIES	Note No.	2018 EUR	2017 EUR
I. Funds			
3. Reserve Funds		186 443	132 178
3.1. Previous years Reserve Funds		132 178	0
3.2. Report years Reserve Fund		54 265	132 178
Funds Total	3	186 443	132 178
III. Short-term Creditors			
2. Taxes and state social insurance mandatory contributions	4	1 875	1 979
3. Other Creditors		13 836	12 327
Short-term Creditors Total		15 711	14 306
Liabilities Total		202 154	146 484

Report from Page 7 to Page 10 is an integral part of these financial statements.

Income and Expense Statement for Year 2017 and Year 2018

	Note No.	2018 EUR	2017 EUR
Membership Fee, Admission Fee and other annual deposits		286 200	77 000
Other Incomes		32 154	178 513
Incomes Total		318 354	255 513
Expenses			
3. Salaries		135 865	137 798
4. Social Insurance Payments		6 326	6 132
5. Fixed Assets and Intangible Investments depreciations and write off		21 598	4 894
6. Other Expenses		100 300	79 249
Expenses Total		264 089	228 073
Income and Expense difference		54 265	27 440

Report from Page 7 to Page 10 is an integral part of these financial statements.

CONTRIBUTION AND DONATION REPORT FOR YEAR 2018

I. Report

	Note No.	2018 EUR	2017 EUR
I. Balance at the beginning of the Report year		0	0
II. Total of received Contributions and Donations on the Report Year		0	0
III. Total Consumption of Contributions and Donations		0	0
IV. Balance at the end of the Report year		0	0

Report from Page 7 to Page 10 is an integral part of these financial statements.

REPORT

General information about the Association

"Baltic Financial Advisors Association" (BFAA) Unified registration No.40008245091 was established on 4 December, 2015

BFAA – the Baltic Financial Advisors Association licenses financial service professionals who are required to comply with proficiency requirements set in MiFID II and IDD. BFAA is non-profit organization established by the Latvian, Lithuanian and Estonian Banking Associations.

Swedbank, SEB, Luminor, Mandatum Life and Citadele Banka in three Baltic countries, Danske Bank in Estonia and Latvia and PNB Banka in Latvia are the customers of the BFAA.

Purposes and Tasks intended by Reglementation

The BFAA – the Baltic Financial Advisors Association is a non-profit organization established jointly by the Latvian, Lithuanian and Estonian Banking Associations for the purpose of creating and operating a qualification and volunteer self-governance licensing system for individuals involved in providing investment advice and/or mediating insurance products in institutions affiliated with the BFAA (Affiliates). Another purpose is to obtain the confidence in BFAA licensing process and in BFAA as an organization from the regulators, the market participants and from other interested persons in the Baltic States.

Main achievements of the Association on the year of the Report and the development perspectives

In reporting period

- The launch of full service of workbooks, diagnostic tests and examinations was completed.
- The BFAA issued more than 2000 certificates in Baltic countries in 2018.
- Mandatum Life, PNB Banka and Citadele Banka joined the BFAA.
- BFAA provides licensing service for Financial Brokers in Lithuania.
- BFAA has created a framework of the CPD - continuous professional development program for its license holders.
- The financial situation of BFAA is stable.

Plans for Year 2019

- BFAA will publish the requirements for CPD and develop an IT infrastructure to support it.
- BFAA will start provision of e-trainings for exam preparation and CPD.
- BFAA will keep promoting the ethics and the professional standards of conduct in financial sector.

I want to acknowledge the dedication and the “can-do” attitude of our contributors throughout the 2018; our team, Karolina and Diana, our Management Board, our Review Board and our collaboration partners; experts, authors, developers, publishers and regulators.

The Economic activity and the Financial state analysis

The only source of incomes of the Association in the report year have been the membership fees and the member entrance fees, the Association have not received any donations or subsidies.

The Financial state of the Association is stable.

Suitable Accounting Policy

The Annual Report was prepared in accordance with the Republic of Latvia Law "On Accounting", "Law on Associations and Foundations", in compliance with the Cabinet Regulations No. 808 "Regulations regarding Association, Foundation and Trade-union Annual reports".

The currency used in the Annual Report is Euro, the numbers are rounded to whole numbers.

The Annual Report is prepared in the official state language.

Explanation about several balance, income and expense report entries.

1 Intangible Assets

The Intangible Assets are counted by their purchase value. The depreciation of assets begins when they are accessible to use. The depreciation is calculated on all period of assets usefull utilisation, using linear method with following rate:

Intangible assets - web page	5
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	<u>Intangible assets - web</u>	<u>Total Intangible assets</u>
<i>Original cost value</i>		
as at 01.01.2017	90 482	90 482
Acquisition	0	0
Manufacturing	48 463	48 463
as at 31.12.2017	138 945	138 945
<i>Depreciation</i>		
as at 01.01.2017	(1 215)	(1 215)
Exclusion	(16 675)	(16 675)
as at 31.12.2017	(17 890)	(17 890)
<i>Residual value</i>		
as at 01.01.2017	89 267	89 267
as at 31.12.2017	121 055	121 055

Note No.	Indicator
2	Fixed Assets

The Intangible Assets are counted by their purchase value. The depreciation of assets begins when they are accessible to use. The depreciation is calculated on all period of assets usefull utilisation, using linear method with following rate:

Other Fixed Assets	5
IT machinery	3

	<u>Other Fixed Assets</u>	<u>Total Fixed Assets</u>
<i>Original cost value</i>		
as at 01.01.2017	12 005	12 005
acquisition	3 585	3 585
as at 31.12.2017	15 590	15 590
<i>Depreciation</i>		
as at 01.01.2017	(4 986)	(4 986)
Calculated in period	(4 923)	(4 923)
as at 31.12.2017	(9 909)	(9 909)
<i>Residual value</i>		
as at 01.01.2017	7 019	7 019
as at 31.12.2017	5 681	5 681

Note No.	Indicator	Basic Fund	Restricted Funds	Reserve Funds	Sum total
3	Information about Funds				
Funds resources flow					
	as at 01.01.2017	0	0	132 178	132 178
	Income and Expense in reporting period	0	0	54 265	54 265
	as at 31.12.2017	0	0	186 443	186 443

Note No.	Indicator	Year 2018	
4	Taxes and state social insurance mandatory contributions	1 875	

	01.01.2018	Calculate	Paid	Penalties	Kopā
Social insurance mandatory	887	9 196	(9 723)	5	365
Personal income tax	1 092	6 767	(6 448)	99	1 510
Business risk fee	1	13	(14)	0	0
Value-added tax	(425)	19 139	(20 092)	99	(1 279)
Total	1 980	35 115	(36 277)	203	596
Incl.					
	(overpayment)	0			(1 279)
	payable	1 980			1 875

* (Overpayment) disclosed in the item "Debtors"
The Association have not got overdue tax payements.
The Association have not received the tax allowances.

Notes No.	Indicator
5	Information about employees

On the year of the Report, the Association employed in average 3 employees incl. 2 non-residents. According to the legislation the taxes for non-residents were payed in their residence country. The members of the Board were not in employment relation with the Association on the year of the Report.

	Year 2017
Remuneration together:	93 073
Remuneration of the employees	93 073
Social tax together:	6 326
other employees	6 326
Other Social security expenses	

Riga, 29 March, 2018

Member of the board Pāvils Misiņš

Member of the board Sille Halang

Member of the board Mihel Mandre

Member of the board Rolandas Juteika