

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

Annual Report 2019

Riga, 2020

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General Information about the Association

Name of the Association: **Baltic Financial Advisors Association**

Legal adress of the Association: Doma laukums 8A-6, Riga, LV-1050, Latvia

Basic activity: The introduction of a voluntary licensing system

Registration number and the date: 40008245091, 04.12.2015
40008245091

from: 1st January 2019
to: 31th December 2019

The Board: with the rights to represent only together with three Management Board members

Member of the Board Sille Halang
in duty from 3 April 2018

Member of the Board Pāvils Misiņš
in duty from 3 April 2018

Member of the Board Rolandas Juteika
in duty from 3 April 2018

Member of the Board Ernestas Skeberis
in duty from 15 July 2019 to 1 February 2020

Member of the Board Valērija Freiberga
in duty from 15 July 2019

Member of the Board Māra Kalniņa
in duty from 15 July 2019 to 12 February 2020

Auditor: 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, 2019 and December 31, 2018

ASSETS		2019	2018
	Note No.	EUR	EUR
Long-term Investments			
I. Intangible Assets	1	119 317	121 055
II. Fixed Assets	2	1 619	5 681
Other Fixed Assets		1 619	5 681
Fixed Assets Total		120 936	126 736
Current Assets			
I. Inventories		140	0
II. Debtors		78 853	44 458
IV. Cash		49 519	30 960
Current Assets Total		128 512	75 418
Assets Total		249 448	202 154

LIABILITIES		2019	2018
	Note No.	EUR	EUR
I. Funds			
3. Reserve Funds		215 043	186 443
3.1. Previous years Reserve Funds		186 471	132 178
3.2. Report years Reserve Fund		28 572	54 265
Funds Total	3	215 043	186 443
III. Short-term Creditors			
2. Taxes and state social insurance mandatory contributions	4	17 208	1 875
3. Other Creditors		17 197	13 836
Short-term Creditors Total		34 405	15 711
Liabilities Total		249 448	202 154

Report from Page 7 to Page 9 is an integral part of these financial statements.

Income and Expense Statement for Year 2019 and Year 2018

	Note No.	2019 EUR	2018 EUR
Membership Fee, Admission Fee and other annual deposits		279 250	286 200
Other Incomes		83 387	32 154
Incomes Total		362 637	318 354
Expenses			
3. Salaries		136 286	135 865
4. Social Insurance Payments		6 923	6 326
5. Fixed Assets and Intangible Investments depreciations and write off		34 028	21 598
6. Other Expenses		156 828	100 300
Expenses Total		334 065	264 089
Income and Expense difference		28 572	54 265

Report from Page 7 to Page 9 is an integral part of these financial statements.

CONTRIBUTION AND DONATION REPORT FOR YEAR 2019

I. Report

	Note No.	2019 EUR	2018 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 9 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- is non-profit organization established by the Latvian, Lithuanian and Estonian Banking Associations. BFAA licenses financial services professionals who are required to comply with proficiency requirements set in MiFID II and IDD. BFAA provides 2 qualifications based on MIFID II and three license exams based on IDD. The qualifications syllabuses are created by the Review Board, a group of Subject Matter Experts in Investments, Insurance and Law. BFAA biggest clients are Swedbank, SEB and Luminor in all Baltic countries.

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

- More than 3 200 new certificates were issued during 2019.
- First 3 continuous professional development programs (CPD) for license holders were created and IT system was upgraded for CPD record keeping.
- BFAA started wider co-operation with all Nordic licensing organizations.
- The financial situation of BFAA is stable.

Plans for Year 2020

- BFAA will continue provide licensing service and offer continuous professional development programs.
- BFAA will keep promoting the ethics and the professional standards of conduct in financial sector.
- BFAA will updated strategy and new three-year business plan.

I want to acknowledge the dedication and the “can-do” attitude of our contributors throughout the 2019; 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 01.01.2019	138 945	138 945
Acquisition	0	0
Manufacturing	28 227	28 227
as at 31.12.2019	167 172	167 172
<i>Depreciation</i>		
as at 01.01.2019	(17 890)	(17 890)
Exclusion	(29 965)	(29 965)
as at 31.12.2019	(47 855)	(47 855)
<i>Residual value</i>		
as at 01.01.2019	121 055	121 055
as at 31.12.2019	119 317	119 317

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 01.01.2019	15 590	15 590
acquisition	0	0
as at 31.12.2019	15 590	15 590
<i>Depreciation</i>		
as at 01.01.2019	(9 909)	(9 909)
Calculated in period	(4 062)	(4 062)
as at 31.12.2019	(13 971)	(13 971)
<i>Residual value</i>		
as at 01.01.2019	5 681	5 681
as at 31.12.2019	1 619	1 619

Note No. Indicator
3 Information about Funds

	Basic Fund	Restricted Funds	Reserve Funds	Sum total
Funds resources flow				
as at 01.01.2019	0	0	186 471	186 471
Income and Expense in reporting period	0	0	28 572	28 572
as at 31.12.2019	0	0	215 043	215 043

Note No.	Indicator	<u>Year 2019</u>
4	Taxes and state social insurance mandatory contributions	17 208

	01.01.2019	Calculated	Paid	Total
Social insurance mandatory	365	10 336	(9 127)	1 574
Personal income tax	1 510	6 927	(7 718)	719
Business risk fee	0	9	(14)	(5)
Value-added tax	(1 279)	23 883	(7 689)	14 915
Total	1 875	41 155	(24 548)	17 203
Incl.				
	(overpayment)	(1 279)		(5)
	payable	1 875		17 208

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

	<u>Year 2019</u>
Remuneration together:	95 864
Remuneration of the employees	95 864
Social tax together:	6 914
other employees	6 914
Other Social security expenses	

Riga, 20 March, 2020

Board member Sille Halang

Board Member Pāvils Misiņš

Board member Rolandas Juteika

Board member Valērija Freiberga