

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

Annual Report 2020

Riga, 2021

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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

from: 1st January 2020
to: 31th December 2020

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

Member of the Board Sille Halang
in duty from 03.04.2018.-12.05.2021.

Member of the Board Pāvils Misiņš
in duty from 03.04.2018.

Member of the Board Rolandas Juteika
in duty from 03.04.2018.

Member of the Board Ernestas Skeberis
in duty from 15.07.2019.

Member of the Board Valērija Freiberga
in duty from 15.07.2019.

Member of the Board Māra Kalniņa
in duty from 15.07.2019.-12.05.2021.

Member of the Board Tonu Sepp
in duty from 12.05.2021.

Member of the Board Katrin Ild
in duty from 12.05.2021.

Auditor: LLC "MGS Birojs"
Registration No. 40003647598
Commercial Company of Certified Auditors
License No. 148
Antonijas Street 8, Riga, LV-1010
Ingura Doble
Latvian Certified Auditor
Certificate No. 176

Balance Sheet as at December 31, 2020 and December 31, 2019

ASSETS	Note No.	2020 EUR	2019 EUR
Long-term Investments			
I. Intangible Assets	1	169 250	119 317
II. Fixed Assets	2	333	1 619
Other Fixed Assets		333	1 619
Fixed Assets Total		169 583	120 936
Current Assets			
I. Inventories		75	140
II. Debtors		19 864	78 853
IV. Cash		145 179	49 519
Current Assets Total		165 118	128 512
Assets Total		334 701	249 448

LIABILITIES	Note No.	2020 EUR	2019 EUR
I. Funds			
3. Reserve Funds		291 355	215 043
3.1. Previous years Reserve Funds		215 043	186 471
3.2. Report years Reserve Fund		76 312	28 572
Funds Total	3	291 355	215 043
III. Short-term Creditors			
2. Taxes and state social insurance mandatory contributions	4	94	17 208
3. Other Creditors		43 252	17 197
Short-term Creditors Total		43 346	34 405
Liabilities Total		334 701	249 448

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

Income and Expense Statement for Year 2020 and Year 2019

	Note No.	2020 EUR	2019 EUR
Membership Fee, Admission Fee and other annual deposits		278 395	279 250
Other Incomes		30 439	83 387
Incomes Total		308 834	362 637
Expenses			
3. Salaries		111 487	136 286
4. Social Insurance Payments		6 711	6 923
5. Fixed Assets and Intangible Investments depreciations and write off		37 399	34 028
6. Other Expenses	6	76 925	156 828
Expenses Total		232 522	334 065
Income and Expense difference		76 312	28 572

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

CONTRIBUTION AND DONATION REPORT FOR YEAR 2020

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 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 4th December 2015.

The Baltic Financial Advisors Association is non-profit organization established jointly 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 or IDD regulations. BFAA provides 2 qualifications based on MIFID II and three license exams based on IDD. In addition, BFAA offers continuing education training programs. Organisation biggest clients are Swedbank, SEB and Luminor in all Baltic countries.

Purposes and Tasks intended by Reglementation

The Baltic Financial Advisors Association is established for the purpose of creating and operating a volunteer self-governance licensing system for individuals involved in providing investment advice and/or mediating insurance products in institutions affiliated with the BFAA. Another organisation purpose is to promote life-long professional education among our members and other market participants in the Baltic States.

Main achievements of the Association on the year of the Report and the development perspectives in reporting period

In reporting period

The impact of the Covid-19 resulted in a lower number of new members and qualification exams. At the same time the continuous professional development courses were very popular among our members.

During the reporting year BFAA opened 4 new continuous professional trainings for members.

Organisation maintained solid financial position by control and reduction of costs.

Plans for Year 2021

The ongoing Covid-19 pandemic will be felt during coming years resulting not only lower number of new members, but also providing a potential to rethink of the importance of solid financial knowledge and practise standards.

BFAA we will continue to improve the quality and user-friendliness of our services.

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 fee, 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 01.01.2020	167 172	167 172
Acquisition	54 046	54 046
Manufacturing	32 000	32 000
as at 31.12.2020	253 218	253 218
<i>Depreciation</i>		
as at 01.01.2020	(47 855)	(47 855)
Exclusion	(36 113)	(36 113)
as at 31.12.2020	(83 968)	(83 968)
<i>Residual value</i>		
as at 01.01.2020	119 317	119 317
as at 31.12.2020	169 250	169 250

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 01.01.2020	15 590	15 590
acquisition	0	0
exclusion	(2 887)	(2 887)
as at 31.12.2020	12 703	12 703
<i>Depreciation</i>		
as at 01.01.2020	(13 971)	(13 971)
Calculated in period	(1 286)	(1 286)
exclusion	2 887	2 887
as at 31.12.2020	(12 370)	(12 370)
<i>Residual value</i>		
as at 01.01.2020	1 619	1 619
as at 31.12.2020	333	333

Note No. Indicator
3 Information about Funds

	Basic Fund	Restricted Funds	Reserve Funds	Sum total
Funds resources flow				
as at 01.01.2020	0	0	215 043	215 043
Income and Expense in reporting period	0	0	76 896	76 896
as at 31.12.2020	0	0	291 939	291 939

Note No.	Indicator	Year 2020
4	Taxes and state social insurance mandatory contributions	94

	01.01.2020	Calculated	Paid	31.12.2020.
Social insurance mandatory	1 574	10 159	(11 639)	94
Personal income tax	719	5 780	(7 039)	(540)
Business risk fee	(5)	9	(10)	(6)
Value-added tax	14 915	17 385	(37 630)	(5 330)
Total	17 203	33 333	(56 318)	(5 782)
Incl.				
	(overpayment)	(5)		(5 876)
	payable	17 208		94

* (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.

	Year 2020
Remuneration together:	110 719
Remuneration of the employees	110 719
Social tax together:	6 711
other employees	6 711

Notes No. Indicator
6 Other expenses

	2020
Outsourced expenses	43 006
Rent	11593
Accounting services	5069
Office supplies	3370
Legal services	3113
Telephone, internet	2590
Other operating expenses	2303

Pension fund	2000
Travel expenses	1330
Auditing expenses	1020
Training expenses	487
Entertainment	460
Bank commission	218
Low-value inventory	215
Accruals for bad debts	151

Riga, 2021

Board Member Pāvils Misiņš

Board member Rolandas Juteika

Board member Valērija Freiberga

Board member Ernestas Skeberis

Board member Tonu Sepp

Board member Katrin Ild