

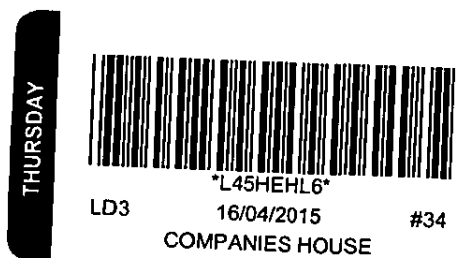
Aalto Invest LLP

FINANCIAL STATEMENTS

for the year ended

31 December 2014

LLP Registration No OC358659



THURSDAY



LD3

L45HEHL6

16/04/2015

#34

COMPANIES HOUSE

Aalto Invest LLP

LLP INFORMATION

DESIGNATED MEMBERS	Aalto Invest UK Ltd
LLP NUMBER	OC358659
REGISTERED OFFICE	Mutual House 70 Conduit Street London W1S 2GF
AUDITOR	Baker Tilly UK Audit LLP 25 Farringdon Street London EC4A 4AB

Aalto Invest LLP

DESIGNATED MEMBERS' REPORT

For the year ended 31 December 2014

The designated members present their report and financial statements for Aalto Invest LLP (LLP Registration No OC358659) for the year ended 31 December 2014

PRINCIPAL ACTIVITIES

The principal activity of Aalto Invest LLP is the provision of the investments advisory services regulated by the Financial Conduct Authority. The pillar 3 disclosures as required within the BIPRU 11 of the FCA's handbook are available at the LLP's registered office

On 20 February 2015 the LLP's trading activities were transferred to the designated member, Aalto Invest UK Ltd

RESULTS

The results for the year are set out on page 7

DESIGNATED MEMBERS

The following designated members have held office since 1 January 2014

Aalto Invest UK Ltd

P Barman (resigned 20 February 2015)

I L Harding (resigned 20 February 2015)

MEMBERS' CAPITAL AND DRAWINGS

Members are required to subscribe capital to the business based on their allocated capital shares. The corporate member may make additional capital contributions in order to satisfy the UK Financial Services Authority requirements from time to time

Upon admission of an additional member the executive committee determines the capital contribution to be made by such member and each such member makes such capital contribution as soon as practicable following the signing of the Deed of Accession to the LLP main deed. No interest is payable to the members on their contributions of capital to the LLP. The executive committee has similar discretionary powers in relation to returns of members' capital upon retirement

No member is required to make capital contributions pursuant to the deed following the occurrence of the presentation of the petition, the making of an order or the passing of a resolution for the winding up, administration or liquidation of the LLP

Each member is entitled to a monthly drawing as determined by the executive committee from time to time, such sum to be no less than the amount specified in the Divisional Agreement where applicable, payable on the last working day of each month. The cost of members' drawings is allocated according to the Divisional Agreement

If the profits of the LLP for a period available for distribution are less than the amounts due to members, the corporate member shall make capital contributions to the LLP to cover such shortfall. The executive committee, following the end of the financial year, allocates the profits and losses among the members or as it otherwise determines from time to time (including as to the timing of any such payments)

Aalto Invest LLP

DESIGNATED MEMBERS' REPORT

For the year ended 31 December 2014

AUDITOR

The auditor, Baker Tilly UK Audit LLP, has indicated its willingness to continue in office

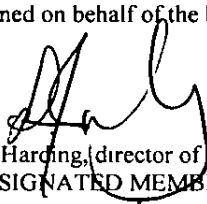
STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

The members who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the members have confirmed that they have taken all the steps that they ought to have taken as members in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor

This report was approved by the board of designated members on

27/3 2015

Signed on behalf of the board


I.L. Harding, (director of Aalto Invest UK Ltd
DESIGNATED MEMBER

Dated 27/3 2015

Aalto Invest LLP

STRATEGIC REPORT

For the year ended 31 December 2014

REVIEW OF THE BUSINESS

This report and the related financial statements reflect the results for the year ended 31 December 2014

Following the transfer of the LLP's trade on 20 February 2015, the Aalto activities continue in Aalto Invest UK Ltd in 2015

The assets under management and investor commitments continued to grow strongly for another year. The partnership's main investment strategies have continued to perform and scale according to expectations.

The foundations laid by members across the preceding years has enabled our direct real estate and senior real estate lending strategies to grow successfully, and our track record is continuing to allow us to expand into broader markets in these investment strategies. Looking out to 2015, Aalto expects to continue to expand its direct real estate investment in the US, and continue to selectively invest across the senior real estate lending market.

The partnership continues to measure near-term success of its strategies by analysing performance of the investments both in absolute performance terms as well as relative to risk and performance targets set prior to entering into the investment.

This report was approved by the board of designated members on

27/3

2015

Signed on behalf of the board



I L Harding, director of Aalto Invest UK Ltd
DESIGNATED MEMBER

Dated 27/3 2015

Aalto Invest LLP

STATEMENT OF MEMBERS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The members are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 (the 2008 Regulations) requires the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law)

Under the 2008 Regulations, the members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the partnership and of the profit or loss of the partnership for that period

In preparing those financial statements, the members are required to

- a) Select suitable accounting policies and then apply them consistently,
- b) Make judgements and accounting estimates that are reasonable and prudent, and
- c) Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the partnership will continue in business

Under the 2008 Regulations, the members are responsible for keeping adequate accounting records that are sufficient to show and explain the partnership's transactions and disclose with reasonable accuracy at any time the financial position of the partnership and to enable them to ensure that the financial statements comply with the requirements of those Regulations. They are also responsible for safeguarding the assets of the partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

The members are responsible for the maintenance and integrity of the corporate and financial information included on the partnership's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

These responsibilities are exercised by the designated members on behalf of the members

Aalto Invest LLP

INDEPENDENT AUDITOR'S REPORT

To the Members of Aalto Invest LLP

We have audited the financial statements on pages 7 to 15 The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Their report is made solely to the Limited Liability Partnership's members, as a body, in accordance with Chapter 3 Part 16 of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships Regulations 2008 Our audit work has been undertaken so that we might state to the Limited Liability Partnership's members those matters we are required to state to them in an auditor's report and for no other purpose To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Limited Liability Partnership and the Limited Liability Partnership's Members as a body, for our audit work, for this report, or for the opinions we have formed

RESPECTIVE RESPONSIBILITIES OF THE MEMBERS AND THE AUDITOR

As more fully explained in the Member's Responsibilities Statement set out on page 5, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK Ireland) Those standards require us to comply with the Auditing Practice Board's (APB's) Ethical Standards for Auditors

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate

OPINION ON THE FINANCIAL STATEMENTS

In our opinion the financial statements

- give true and fair view of the state of the Limited Liability Partnership's affairs as at 31 December 2014 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships Regulations 2008

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 as applied to limited liability partnerships requires us to report to you if, in our opinion.

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- we have not received all the information and explanations we require for our audit

David Blacher

David Blacher (Senior Statutory Auditor)
For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB

Date 1 APRIL 2015

Aalto Invest LLP
PROFIT AND LOSS ACCOUNT
For the year ended 31 December 2014

	Notes	2014 £	2013 £
TURNOVER	1	3,280,174	1,462,459
Other operating expenses	2	(3,229,956)	(1,455,401)
OPERATING PROFIT		<u>50,218</u>	<u>7,058</u>
Investment income	3	256	171
PROFIT FOR THE YEAR BEFORE MEMBERS' REMUNERATION AND PROFIT SHARES	4	<u>50,474</u>	<u>7,229</u>
Members' remuneration charged as an expense		(160,500)	(85,000)
LOSS FOR THE FINANCIAL YEAR AVAILABLE FOR DISCRETIONARY DIVISION AMONGST MEMBERS		<u><u>(110,026)</u></u>	<u><u>(77,771)</u></u>

Turnover and operating profit for the year are derived from the LLP's operations which were discontinued after the balance sheet date

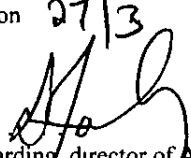
No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account

Aalto Invest LLP

BALANCE SHEET
As at 31 December 2014

	Notes	2014 £	2013 £
FIXED ASSETS			
Tangible assets	6	81,631	22,544
CURRENT ASSETS			
Debtors	7	1,324,322	436,557
Cash at bank and in hand		523,301	505,725
		<u>1,847,623</u>	<u>942,282</u>
CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR	8	(1,324,873)	(328,190)
NET CURRENT ASSETS		<u>522,750</u>	<u>614,092</u>
NET ASSETS ATTRIBUTABLE TO MEMBERS		<u><u>604,381</u></u>	<u><u>636,636</u></u>
REPRESENTED BY			
LOANS AND OTHER DEBTS DUE TO MEMBERS			
Members' capital classified as a liability	9	714,407	714,407
MEMBERS' OTHER INTERESTS			
Members' other interests – other reserve	9	(110,026)	(77,771)
		<u>604,381</u>	<u>636,636</u>
		<u><u>604,381</u></u>	<u><u>636,636</u></u>
		2014 £	2013 £ <i>Restated</i>
TOTAL MEMBERS' INTERESTS			
Amounts due from members	9	(267,381)	(185,890)
Loans and other debts due to members	9	714,407	714,407
Members' other interests	9	(110,026)	(77,771)
		<u>337,000</u>	<u>450,746</u>
		<u><u>337,000</u></u>	<u><u>450,746</u></u>

The financial statements on pages 7 to 15 were approved by the board of designated members and authorised for issue on 27/3 2015 and are signed on its behalf by


I L Harding, director of Aalto Invest UK Ltd
DESIGNATED MEMBER

Dated 27/3 2015

Aalto Invest LLP

CASH FLOW STATEMENT

For the year ended 31 December 2014

	2014 £	2013 £
NET CASH FLOW FROM OPERATING ACTIVITIES		
Operating profit/(loss)	50,218	7,058
Depreciation charges	41,923	13,405
Increase in debtors	(809,994)	(106,506)
Increase in creditors	996,683	258,670
Net cash flow from operating activities	<u>278,830</u>	<u>172,627</u>
RETURNS ON INVESTMENTS		
Interest received	256	171
CAPITAL EXPENDITURE		
Purchase of tangible fixed assets	(101,010)	(12,845)
TRANSACTIONS WITH MEMBERS		
Contributions by members	-	288,000
Payments to members	(160,500)	(107,500)
	<u>(160,500)</u>	<u>180,500</u>
INCREASE IN CASH IN THE YEAR	<u>17,576</u>	<u>340,453</u>
Cash at beginning of the year	<u>505,725</u>	<u>165,272</u>
Cash at end of the year	<u><u>523,301</u></u>	<u><u>505,725</u></u>

Aalto Invest LLP

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements are prepared under the historical cost convention in accordance with applicable accounting standards and the Standard of Recommended Practice "Accounting by Limited Liability Partnerships" March 2010

GOING CONCERN

Subsequent to the year end, the LLP's trading activities were transferred to the designated member, Aalto Invest UK Ltd. Following the transfer Aalto Invest UK Ltd will continue to support the LLP to ensure that all liabilities of the LLP are met as they fall due, and consequently the members have concluded that the use of the going concern basis of accounting is appropriate because there are no material uncertainties related to events or conditions that may cast significant doubt upon the ability of the LLP to continue as a going concern.

TURNOVER

Turnover represents the value of investment fund management services carried out for customers during the reporting period. Turnover is recognised when services are rendered and investment fund management fees become payable.

TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost less depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Office equipment, fixtures & fittings	33 3% straight line
---------------------------------------	---------------------

LEASING

All of the LLP's leases are "operating leases" and the annual rentals are charged to profit and loss on a straight line basis over the lease term.

FOREIGN CURRENCY TRANSLATION

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

TAXATION

The taxation payable on the LLP profits is the liability of the members therefore neither LLP taxation nor related deferred taxation are accounted for in the financial statements.

MEMBERS' DRAWINGS

In accordance with the Firm Management Divisional Agreement, each member is entitled to a monthly drawing as determined by the executive committee from time to time, such sum to be no less than the amount specified in the Divisional Agreement where applicable, payable on the last working day of each month. The cost of members' drawings is allocated according to the Divisional Agreement.

For accounting purposes, members' drawings are classified as members' remuneration and are charged as an expense through the profit and loss account.

Aalto Invest LLP

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014

1 TURNOVER

During the year ended 31 December 2014 100% (2013 98%) of the LLP's turnover was generated from markets outside the United Kingdom

2 OTHER OPERATING EXPENSES (NET)

	2014 £	2013 £
Administrative expenses	<u>3,229,956</u>	<u>1,455,401</u>

3 INVESTMENT INCOME

	2014 £	2013 £
Bank interest	<u>256</u>	<u>171</u>

4 PROFIT FOR THE YEAR BEFORE MEMBERS' REMUNERATION

	2014 £	2013 £
Profit for the year before members' remuneration is stated after charging		
Depreciation of tangible assets		
- Owned assets	41,923	13,405
Operating lease rentals		
- Land and buildings	175,247	79,619
Auditor's remuneration		
- Audit fees	9,000	8,500
- Other services	<u>60,208</u>	<u>26,264</u>

5 EMPLOYEES

	No.	No.
The average monthly number of persons employed by the LLP (excluding members) during the year was		
Administration	<u>17</u>	<u>11</u>
	£	£
Staff costs for the above persons		
Wages and salaries	1,537,806	688,095
Social security costs	193,522	83,599
	<u>1,731,328</u>	<u>771,694</u>

	No.	No.
The average number of members during the year was	<u>3</u>	<u>3</u>

Aalto Invest LLP

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014

6 TANGIBLE FIXED ASSETS		Office equipment, fixture & fittings £
COST		
At 1 January 2014		46,819
Additions		101,010
At 31 December 2014		<u>147,829</u>
DEPRECIATION		
At 1 January 2014		24,275
Charge for the year		41,923
At 31 December 2014		<u>66,198</u>
NET BOOK VALUE		
At 31 December 2014		<u>81,631</u>
At 31 December 2013		<u>22,544</u>
7 DEBTORS		
	2014	2013
	£	£
Amounts falling due within one year		
Amounts due from members (Aalto invest UK Ltd)	33,096	34,195
Amounts due from members (other)	234,285	151,695
Other debtors	183,090	39,085
Prepayments and accrued income	873,851	211,582
	<u>1,324,322</u>	<u>436,557</u>
8 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR		
	2014	2013
	£	£
Trade creditors	84,989	6,456
Other taxation and social security costs	97,903	68,800
Other creditors	448,836	-
Accruals	693,145	252,934
	<u>1,324,873</u>	<u>328,190</u>

Aalto Invest LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2014

9 MEMBERS' INTERESTS

	MEMBERS' OTHER INTERESTS	LOANS AND OTHER DEBTS DUE TO MEMBERS		TOTAL 2014 £	TOTAL 2013 £ <i>Restated</i>
		Members' capital (classified as liability under FRS25) £	Other amounts £		
Balance at 1 January 2014, as restated	(77,771)	714,407	(185,890)	450,746	302,212
Members' remuneration charged as an expense	-	-	160,500	160,500	85,000
Loss for the financial year available for discretionary division amongst members	(110,026)	-	-	(110,026)	(77,771)
Members' interests after loss for the year	(187,797)	714,407	25,390	501,220	309,441
Losses allocated to members in accordance with the decision of the executive committee	77,771	-	(77,771)	-	-
Capital introduced by members	-	-	-	-	288,000
Capital withdrawn by members	-	-	-	-	(22,500)
Drawings	-	-	(160,500)	(160,500)	(85,000)
Other movements	-	-	(3,720)	(3,720)	(39,195)
Balance at 31 December 2014	(110,026)	714,407	(267,381)	337,000	450,746

The comparative figures have been restated in order to include amounts owed by the corporate member, Aalto Invest (UK) Limited, in 2013 of £34,195 (and amount owed to the corporate member in 2012 of £5,000) within Members' Interests. This adjustment is presentational only and has no impact on the Balance Sheet total in either 2013 or 2012.

Aalto Invest LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2014

9 MEMBERS' INTERESTS (CONTINUED)

The LLP divides the profits according to the signed Limited Liability Partnership Deed and any current signed Divisional Agreement

Each member is entitled to a monthly drawing as determined by the executive committee from time to time, such sum to be no less than the amount specified in the Divisional Agreement where applicable, payable on the second to last working day of each month. The cost of members' drawings is allocated according to the relevant Partnership Agreement or Divisional Agreement

Each division member receives the amount of profit share that he is allocated, payable on the second to last working day of each calendar year or at other times as agreed in the relevant Partnership Agreement or Divisional Agreement

If the profits of the LLP for a period available for distribution are less than the amounts due to members, the corporate member shall make capital contributions to the LLP to cover such shortfall. The executive committee, following the end of the financial year, allocates the profits and losses among the members or as it otherwise determines from time to time (including as to the timing of any such payments)

In the event of a winding up sale of the business or its assets, any surplus assets of the LLP over its liabilities or sale proceeds after all payments due to creditors and any expenses associated with the winding-up or sale, will be allocated first to the corporate member up to the amount standing to the credit of its capital account at that date, second pro rata to each member up to the credit of his capital account at that date, and third any remaining surplus to the corporate member

In the event of a winding up of the LLP or a sale of the business and/or the assets of the LLP, any surplus of assets of the LLP over its liabilities after payment of all monies due to creditors of the LLP and expenses associated with a sale or winding up, will be allocated as follows

- first, to pay to the corporate member the amount outstanding on the capital account of the corporate member,
- second, to pay pro rata to the other members the amount outstanding on the capital account of each member, and
- third, to pay any remaining amounts to the corporate member

The amount payable to former members or his representatives will be payable no later than seven months after such date of retirement or death

10 FINANCIAL COMMITMENTS

At 31 December 2014 the LLP was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2015

	Land and buildings	
	2014	2013
	£	£
Operating leases which expire		
In two to five years	172,074	172,074

Aalto Invest LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2014

11 CONTROL

The LLP is managed by its members and there is no ultimate controlling party

However, for accounting purposes, the corporate partner, Aalto Invest UK Ltd, is treated as the immediate parent company. The ultimate parent company is Aalto Invest Limited, a company incorporated in the British Virgin Islands. There is no ultimate controlling party of Aalto Invest Limited.

12 RELATED PARTY TRANSACTIONS

During the year, the LLP entered into various transactions with its members the majority of which are summarised in note 9 to these financial statements. In respect of the transactions summarised in note 9, all of the capital introduced in 2013 was supplied to the LLP by the corporate partner, the capital withdrawn related to resigning non-corporate partners, and the drawings were all in respect of non-corporate partners.

During the year, the LLP incurred expenses of £3,720 (2013 £39,195) on behalf of the Corporate Partner, Aalto Invest UK Ltd. In addition Aalto Invest UK Limited invested a further £Nil (2013 £288,000) in the LLP with the amount being included in Loans and Other amounts due to members (note 9). At the balance sheet date an amount of £33,096 was owed by the corporate partner and included in debtors (2013 £34,195).

The LLP received interest free loans in the year of £120,000 and £100,000 from the related parties Mr P Barman and Mr M Syrjanen respectively. The loans are included in other creditors at 31 December 2014.