

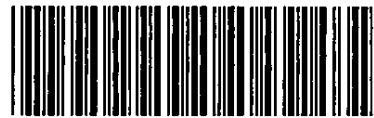
Aalto Invest LLP

FINANCIAL STATEMENTS

for the year ended

31 December 2012

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COMPANIES HOUSE

LLP Registration No OC358659

Aalto Invest LLP

LLP INFORMATION

DESIGNATED MEMBERS	Aalto Invest UK Ltd P Barman I L Harding
LLP NUMBER	OC358659
REGISTERED OFFICE	4 Fitzhardinge Street London W1H 6EG
AUDITOR	Baker Tilly UK Audit LLP 25 Farringdon Street London EC4A 4AB

Aalto Invest LLP

DESIGNATED MEMBERS' REPORT

For the year ended 31 December 2012

The designated members present their report and financial statements for Aalto Invest LLP (LLP Registration No OC358659) for the year ended 31 December 2012

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 provided on the Aalto Invest website (www.aaltoinvest.com)

REVIEW OF THE BUSINESS

This report and the related financial statements reflect the results for the period from the 1 January 2012 to 31 December 2012

The assets under management have grown steadily since the incorporation of the partnership in October 2010 and the members look to further scale up the activities in the UK and also to add additional investment strategies to diversify the sources of income over the medium term

Looking out to 2013, the partnership expects to expand its activities in relation to both real estate senior lending as well as direct real estate investments in the US

Going forward, the partnership expects to measure the near-term success of its strategy by looking at the performance of the investments upon which it advises as well as the overall amount of assets upon which it is advising

There have been no events since the balance sheet date which materially affect the position of the partnership

RESULTS

The results for the year are set out on page 6

DESIGNATED MEMBERS

The following designated members have held office since 1 January 2012

Aalto Invest UK Ltd

P Barman

(Appointed 19 June 2012)

I L Harding

S L Hynes

(Resigned 19 June 2012)

MEMBERS' CAPITAL AND DRAWINGS

In accordance with the signed LLP deed, the initial capital of the LLP was £60,000 provided by capital contributions of the corporate member and designated members in the amounts as listed in the Firm Management Divisional Agreement. 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

Aalto Invest LLP
DESIGNATED MEMBERS' REPORT
For the year ended 31 December 2012

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).

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 has 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

9 May 2013

Signed on behalf of the board


I L Harding
DESIGNATED MEMBER

Dated

9/5/13

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 6 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 4, 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 APB's website at www.frc.org.uk/apb/scope/private.cfm.

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 2012 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.

Baker Tilly UK Audit LLP

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 *17/5/2013*

Aalto Invest LLP
PROFIT AND LOSS ACCOUNT
For the year ended 31 December 2012

	Notes	Year ended 31 December 2012 £	Thirteen month period ended 31 December 2011 <i>Restated</i> £
TURNOVER	1	422,163	34,582
Other operating expenses (net)	2	688,918	377,238
OPERATING LOSS		<u>(266,755)</u>	<u>(342,656)</u>
Investment income	3	33	7
LOSS FOR THE YEAR BEFORE MEMBERS' REMUNERATION AND PROFIT SHARES	4	<u>(266,722)</u>	<u>(342,649)</u>
LOSS FOR THE YEAR BEFORE MEMBERS' REMUNERATION AND PROFIT SHARES		(266,722)	(342,649)
Members' remuneration charged as an expense		(307,222)	(212,695)
LOSS FOR THE FINANCIAL YEAR AVAILABLE FOR DISCRETIONARY DIVISION AMONGST MEMBERS		<u>(573,944)</u>	<u>(555,344)</u>

Turnover and operating loss for the year are derived from the LLP's continuing operations

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 2012

	Notes	2012 £	2011 <i>Restated</i> £
FIXED ASSETS			
Tangible assets	5	23,104	9,972
CURRENT ASSETS			
Debtors	6	245,051	29,598
Cash at bank and in hand		165,272	52,652
		<u>410,323</u>	<u>82,250</u>
CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR	7	69,520	42,566
NET CURRENT ASSETS		<u>340,803</u>	<u>39,684</u>
NET ASSETS ATTRIBUTABLE TO MEMBERS	8	<u>363,907</u>	<u>49,656</u>
REPRESENTED BY			
LOANS AND OTHER DEBTS DUE TO MEMBERS			
Members' capital classified as a liability	8	937,851	605,000
MEMBERS' OTHER INTERESTS			
Members' other interests – other reserve	8	(573,944)	(555,344)
		<u>363,907</u>	<u>49,656</u>
TOTAL MEMBERS' INTERESTS			
Amounts due from members	8	(66,695)	-
Loans and other debts due to members	8	937,851	605,000
Members' other interests	8	(573,944)	(555,344)
		<u>297,212</u>	<u>49,656</u>

The financial statements on pages 6 to 15 were approved by the board of designated members and authorised for issue on *9/12/13* 2013 and are signed on its behalf by


I L Harding
DESIGNATED MEMBER

Dated

9/5/13

Aalto Invest LLP

CASH FLOW STATEMENT

For the year ended 31 December 2012

	Year ended 31 December 2012 £	Thirteen month period ended 31 December 2011 <i>Restated</i> £
NET CASH FLOW FROM OPERATING ACTIVITIES		
Operating loss	(266,755)	(342,656)
Depreciation charges	8,584	2,286
Increase in debtors	(148,759)	(29,598)
Increase in creditors	26,954	42,566
Net cash flow from operating activities	<u>(379,976)</u>	<u>(327,402)</u>
RETURNS ON INVESTMENTS		
Interest received	33	7
CAPITAL EXPENDITURE		
Purchase of tangible fixed assets	(21,716)	(12,258)
TRANSACTIONS WITH MEMBERS		
Contributions by members	829,000	605,000
Payments to members	(314,722)	(212,695)
	<u>514,278</u>	<u>392,305</u>
INCREASE IN CASH IN THE YEAR	<u><u>112,619</u></u>	<u><u>52,652</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"

Certain comparative figures have been restated to better reflect the nature of the underlying transactions involved. As a result of this, prior year profits or losses are allocated to members in the current year following the decisions taken by the executive committee in the current year, and then current year profits or losses are carried forward in other reserves pending the executive committee meeting held after the balance sheet date.

GOING CONCERN

Having reviewed the twelve month period from the date of the approval of these financial statements, 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. The corporate partner, Aalto Invest UK Ltd, will continue to support the LLP and the development of its business to ensure that all liabilities of the LLP are met as they fall due.

TURNOVER

Turnover represents the value net of Value Added Tax of investment fund management services carried out for customers during the reporting period. Any amounts not invoiced by the end of the reporting period for services rendered during the period are carried forward on the balance sheet as accrued income within other debtors.

TANGIBLE FIXED ASSETS AND DEPRECIATION

All tangible assets purchased that have a cost that exceeds £100 and an expected useful economic life that exceeds one year are capitalised and classified as fixed assets. Tangible fixed assets are stated at cost less depreciation. 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
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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 2012

1 TURNOVER

During the year ended 31 December 2012, 100% (Thirteen month period ended 31 December 2011 100%) of the LLP's turnover was generated from markets outside the United Kingdom

2 OTHER OPERATING EXPENSES (NET)

	Year ended 31 December 2012 £	Thirteen month period ended 31 December 2011 <i>Restated</i> £
Administrative expenses	688,918	382,765
Other income	-	(5,527)
	<u>688,918</u>	<u>377,238</u>

3 INVESTMENT INCOME

	Year ended 31 December 2012 £	Thirteen month period ended 31 December 2011 £
Bank interest	<u>33</u>	<u>7</u>

Aalto Invest LLP

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2012

4 LOSS FOR THE YEAR BEFORE MEMBERS' REMUNERATION	Year ended 31 December 2012 £	Thirteen month period ended 31 December 2011 £
Loss for the year before members' remuneration is stated after charging		
Depreciation of tangible assets		
- Owned assets	8,584	2,286
Operating lease rentals		
- Land and buildings	54,497	95,486
Auditor's remuneration		
- Audit fees	8,000	8,000
- Other services	14,574	7,308
	<u> </u>	<u> </u>
	No	No
The average number of members during the year was	<u>5</u>	<u>6</u>
EMPLOYEES	No	No
The average monthly number of persons employed by the LLP (excluding members) during the year was		
Administration	<u>6</u>	<u>4</u>
	£	£
Staff costs for the above person		
Wages and salaries	265,587	100,918
Social security costs	29,198	12,517
	<u>294,785</u>	<u>113,435</u>

Aalto Invest LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2012

5 TANGIBLE FIXED ASSETS	Office equipment, fixture & fittings £	
COST		
At 1 January 2012		12,258
Additions		21,716
At 31 December 2012		<u>33,974</u>
DEPRECIATION		
At 1 January 2012		2,286
Charge for the year		8,584
At 31 December 2012		<u>10,870</u>
NET BOOK VALUE		
At 31 December 2012		<u>23,104</u>
At 31 December 2011		<u>9,972</u>
6 DEBTORS		
	2012	2011
	£	<i>Restated</i>
		£
Amounts falling due within one year		
Amounts due from members	66,695	-
Taxation and social security costs	72,528	2,790
Prepayments	53,875	23,058
Accrued income	51,953	3,750
	<u>245,051</u>	<u>29,598</u>
7 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR		
	2012	2011
	£	£
Taxation and social security costs	29,975	4,405
Amounts owed to Aalto Invest UK Ltd	5,000	5,000
Accruals	34,545	33,161
	<u>69,520</u>	<u>42,566</u>

Aalto Invest LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2012

8 MEMBERS' INTERESTS

	MEMBERS' OTHER INTERESTS	LOANS AND OTHER DEBTS DUE TO MEMBERS		TOTAL 2012 £	TOTAL 2011 <i>Restated</i> £
	Other reserves £	Members' capital (classified as liability under FRS25) £	Other amounts £		
Amounts due to members			-		
Amounts due from members			-		
Balance at 1 January 2012, as restated	(555,344)	605,000	-	49,656	-
Members' remuneration charged as an expense			307,222	307,222	212,695
Loss for the financial year available for discretionary division amongst members	(573,944)			(573,944)	(555,344)
Members' interests after loss for the year	(1,129,288)	605,000	307,222	(217,066)	(342,649)
Losses allocated to members in accordance with the decision of the executive committee	555,344		(555,344)	-	-
Capital introduced by members		829,000		829,000	605,000
Capital withdrawn by members		(7,500)		(7,500)	-
Drawings			(307,222)	(307,222)	(212,695)
Amounts due from members transferred to capital		(488,649)	488,649	-	-
Amounts due to members			-		
Amounts due from members			(66,695)		
Balance at 31 December 2012	(573,944)	937,851	(66,695)	297,212	49,656

Aalto Invest LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2012

8 MEMBERS' INTERESTS (CONTINUED)

The LLP divides the profits according to the signed Limited Liability Partnership Deed and the 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 last working day of each month. The cost of members' drawings is allocated according to the Divisional Agreement

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

9 FINANCIAL COMMITMENTS

At 31 December 2012, the LLP was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2013

	Land and buildings £
Operating leases which expire In two to five years	65,000

Aalto Invest LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2012

10 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 and the ultimate parent company is Aalto Invest Limited, a company incorporated in the Cayman Islands. There is no ultimate controlling party of Aalto Invest Limited.

11 RELATED PARTY TRANSACTIONS

During the year, the LLP entered into various transactions with its members the majority of which are clearly summarised in note 8 to these financial statements. In respect of the transactions summarised in note 8, all of the capital introduced in 2012 was supplied to the LLP by the corporate partner, the capital withdrawn related to the resigning non-corporate partner, and the drawings were all in respect of non-corporate partners.

During the previous period, the corporate partner, Aalto Invest UK Ltd, also incurred expenses on behalf of the LLP amounting to £5,000. At the balance sheet date, £5,000 (31 December 2011: £5,000) was due to the corporate partner and included in creditors.