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# Aalto Invest LLP

## FINANCIAL STATEMENTS

for the period ended

31 December 2011



LLP Registration No OC358659

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# Aalto Invest LLP

## LLP INFORMATION

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DESIGNATED MEMBERS	Aalto Invest UK Ltd I L Harding S L Hynes	(Appointed 13 October 2010) (Appointed 5 April 2011) (Appointed 13 October 2010 and resigned 20 June 2012)
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 period ended 31 December 2011

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The designated members present their report and financial statements for Aalto Invest LLP (LLP Registration No OC358659) for the period ended 31 December 2011

### PRINCIPAL ACTIVITIES

The principle activity of Aalto Invest LLP is the provision of the investments advisory services regulated by the Financial Services Authority. The pillar 3 disclosures as required within the BIPRU 11 of the FSA's handbook are provided on the Aalto Invest website ([www.aaltoinvest.com](http://www.aaltoinvest.com))

The LLP was incorporated on 13 October 2010. These financial statements are the first statutory financial accounts for Aalto Invest LLP and reflect the results for the 13 month period ended 31 December 2011.

### REVIEW OF THE BUSINESS

Aalto Invest LLP was incorporated in October 2010 and as such the first full fiscal year ending 31 December 2011 was largely a period of commencement of the London based operations for Aalto Invest group of companies and significant time and resources were invested in establishing the UK operations.

The assets under advisory and management have grown steadily since the incorporation of the Partnership 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 2012, the Partnership expects to expand its activities in relation to current credit investments and is also considering entering into selective real estate related investment management activities.

Whilst the first year of business for the Partnership was largely focused on establishing the operations, the members are satisfied with the results for the year and are committed to further expanding and financially supporting the operations. Going forward, the Partnership expects to measure the near-term success of its strategy by performance of the investment strategies which it advises or manages as well as the overall amount of asset under advisory or management in those strategies. There have been no events since the balance sheet date which materially affects the position of the Partnership.

### RESULTS

The results for the period are set out on page 6.

### DESIGNATED MEMBERS

The following designated members have held office since 13 October 2010.

Aalto Invest UK Ltd	(Appointed 13 October 2010)
I L Harding	(Appointed 5 April 2011)
S L Hynes	(Appointed 13 October 2010 and resigned 20 June 2012))

### MEMBERS' CAPITAL AND DRAWINGS

In accordance with the signed LLP deed, the initial capital of the LLP shall be £60,000 to be 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 shall determine the capital contribution to be made by such member and each such member shall make such capital contribution as soon as practicable following the signing of the Deed of Accession to the LLP main deed. No interest shall be payable to the members on their contributions of capital to the LLP.

No member shall be 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 period ended 31 December 2011

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Each member shall be 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 shall be 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 will, following the end of the financial year, allocate 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

Baker Tilly UK Audit LLP was appointed the first auditor to the LLP, and has indicated its willingness to continue in office.

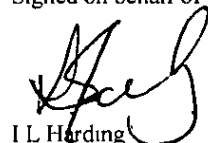
#### STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

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

31/July/2012

Signed on behalf of the board



I L Harding  
DESIGNATED MEMBER

Dated

31/July/2012

## Aalto Invest LLP

### STATEMENT OF MEMBERS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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

Limited Liability Partnership law 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 company law, as applicable to limited liability partnerships, 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 and of the profit or loss 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 limited liability partnership will continue in business

The members are responsible for keeping proper accounting records which 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 the Companies Act 2006 as applicable to limited liability partnerships. The members 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 in 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

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We have audited the financial statements on pages 6 to 13. 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](http://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 2011 and of its loss for the then ended period,
- 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 2/8/2012

## Aalto Invest LLP

### PROFIT AND LOSS ACCOUNT

For the period ended 31 December 2011

		Thirteen month period ended 31 December 2011 £
	Notes	
TURNOVER	1	34,582
Other operating expenses (net)	2	377,237
OPERATING LOSS		(342,655)
Investment income	3	7
LOSS FOR THE PERIOD BEFORE MEMBERS' REMUNERATION AND PROFIT SHARES	4	(342,648)
LOSS FOR THE PERIOD BEFORE MEMBERS' REMUNERATION AND PROFIT SHARES		(342,648)
Losses allocated to members in accordance with the decision of the executive committee		342,648
LOSS FOR THE FINANCIAL PERIOD AVAILABLE FOR DISCRETIONARY DIVISION AMONGST MEMBERS		-

The loss for the period arises from the LLP's continuing operations

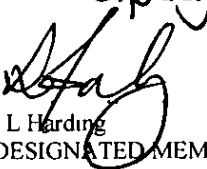
No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account

**Aalto Invest LLP****BALANCE SHEET**

As at 31 December 2011

	Notes	2011 £
<b>FIXED ASSETS</b>		
Tangible assets	5	9,972
<b>CURRENT ASSETS</b>		
Debtors	6	372,246
Cash at bank and in hand		52,653
		<u>424,899</u>
<b>CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	7	42,566
<b>NET CURRENT ASSETS</b>		<u>382,333</u>
<b>NET ASSETS ATTRIBUTABLE TO MEMBERS</b>	8	<u>392,305</u>
<b>REPRESENTED BY</b>		
<b>LOANS AND OTHER DEBTS DUE TO MEMBERS</b>		
Members' capital classified as a liability		<u>392,305</u>
<b>TOTAL MEMBERS' INTERESTS</b>		
Amounts due from members		(342,648)
Loans and other debts due to members		392,305
		<u>49,657</u>

The financial statements on pages 6 to 13 were approved by the board of designated members and authorised for issue on 31 July 2012 and are signed on its behalf by

  
 I L Harding  
 DESIGNATED MEMBER



# Aalto Invest LLP

## CASH FLOW STATEMENT

For the period ended 31 December 2011

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	Thirteen month period ended 31 December 2011 £
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	
Operating loss	(342,655)
Depreciation charges	2,286
Increase in debtors	(29,598)
Increase in creditors	42,566
Net cash outflow from operating activities	(327,401)
RETURNS ON INVESTMENTS	
Interest received	7
CAPITAL EXPENDITURE	
Purchase of tangible fixed assets	(12,258)
TRANSACTIONS WITH MEMBERS	
Contributions by members	605,000
Payments to members	(212,695)
	<u>392,305</u>
NET CASH OUTFLOW BEFORE FINANCING	<u>52,653</u>
FINANCING	-
INCREASE IN CASH IN THE PERIOD	<u><u>52,653</u></u>

# Aalto Invest LLP

## ACCOUNTING POLICIES

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### 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"

These financial statements are the first statutory accounts for Aalto Invest LLP and reflect the results for the 13 month period ended 31 December 2011

### GOING CONCERN

Having reviewed the twelve month period from the date of the approval of the 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

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	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 bases 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

# Aalto Invest LLP

## NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 December 2011

### 1 TURNOVER

In the period to 31 December 2011, 100% of the LLP's turnover was generated from markets outside the United Kingdom

### 2 OTHER OPERATING EXPENSES (NET)

Thirteen month  
period ended  
31 December 2011  
£

Administrative expenses	382,764
Other income	(5,527)
	<u>377,237</u>

### 3 INVESTMENT INCOME

Thirteen month  
period ended  
31 December 2011  
£

Bank interest	<u>7</u>
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### 4 LOSS FOR THE PERIOD BEFORE MEMBERS' REMUNERATION

Thirteen month  
period ended  
31 December 2011  
£

Loss for the period before members' remuneration is stated after charging

Depreciation of tangible assets	
- Owned assets	2,286
Operating lease rentals	95,486
Auditor's remuneration	
- Audit fees	8,000
- Other services	7,308
	<u>113,080</u>

The average number of members during the period was	<u>6</u>
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### EMPLOYEES

No

The average monthly number of persons employed by the LLP  
(excluding members) during the year was

Administration	<u>4</u>
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£

Staff costs for the above person	
Wages and salaries	100,918
Social security costs	12,517
	<u>113,435</u>

# Aalto Invest LLP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the period ended 31 December 2011

5 TANGIBLE FIXED ASSETS	Office equipment £
COST	
At 13 October 2010	-
Additions	12,258
At 31 December 2011	12,258
DEPRECIATION	
At 13 October 2010	-
Charge for the period	2,286
At 31 December 2011	2,286
NET BOOK VALUE	
At 31 December 2011	9,972
6 DEBTORS	2011 £
Amounts due from members	342,648
Taxation and social security costs	2,790
Prepayments	23,058
Accrued income	3,750
	372,246
7 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR	2011 £
Taxation and social security costs	4,405
Amounts owed to Aalto Invest UK Ltd	5,000
Accruals	33,161
	42,566

# Aalto Invest LLP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the period ended 31 December 2011

### 8 MEMBERS' INTERESTS

	LOANS AND OTHER DEBTS DUE TO MEMBERS		
	Members' capital (classified as liability under FRS25) £	Other amounts £	Total £
Balance at 13 October 2010	-	-	-
Loss for the period	-	(342,648)	(342,648)
Members' interests after loss for the period	-	(342,648)	(342,648)
Capital introduced by members	605,000	-	605,000
Drawings	-	(212,695)	(212,695)
Transfer from capital account	(212,695)	212,695	-
Amounts due to members	-	-	-
Amounts due from members	-	342,648	342,648
Balance at 31 December 2011	392,305	-	392,305

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

Each member shall be 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 shall be allocated according to the Divisional Agreement

Each division member shall receive 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 will, following the end of the financial year, allocate 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, shall 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 the credit of his capital account at that date, and third any remaining surplus to the corporate member

# Aalto Invest LLP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the period ended 31 December 2011

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### 8 MEMBERS' INTERESTS (CONTINUED)

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, shall 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 shall be payable no later than seven months after such date of retirement or death

### 9 FINANCIAL COMMITMENTS

At 31 December 2011, the LLP was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2012

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

### 10 CONTROL

The LLP was managed by its members. There is no ultimate controlling party