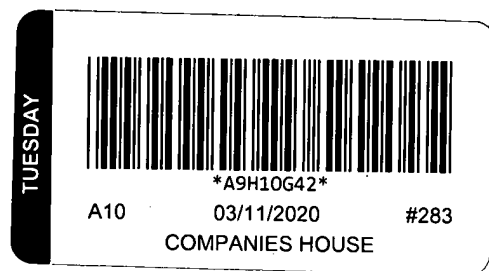


REGISTERED NUMBER: OC364534

**Blue Water Energy LLP**  
**Financial Statements**  
**31 March 2020**



# **Blue Water Energy LLP**

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# **Blue Water Energy LLP**

## **Designated Members and Professional Advisers**

### **Designated members**

Thomas Sikorski  
Jerker Johansson  
Graeme Sword

### **Registered office**

17 Connaught Place  
6th Floor  
London  
W2 2ES

### **Independent auditors**

PricewaterhouseCoopers CI LLP  
Royal Bank Place  
1 Glatigny Esplanade  
St Peter Port  
Guernsey  
GY1 4ND

### **Bankers**

Barclays Bank PLC  
1 Churchill Place  
London  
E14 5HP

# **Blue Water Energy LLP**

## **Members' Report**

### **Year ended 31 March 2020**

The members present their report and the audited financial statements of Blue Water Energy LLP ("the LLP") for the year ended 31 March 2020.

#### **Principal activities and business review**

The principal activity of the LLP during the year was the provision of investment advisory services and there were no changes from prior periods.

The LLP was authorised to conduct investment business by the Financial Conduct Authority on 12 April 2012.

The results for the financial year are shown in the Statement of Comprehensive Income on page 6. The LLP's balance sheet as detailed on page 7 shows a satisfactory position with Members' total interests amounting to £1,954,472 (2019: £1,993,625).

Blue Water Energy Fund I, L.P. and Blue Water Energy Fund I-A, L.P. ("Fund I") have commitments raised of \$861,540,000.

Blue Water Energy Fund II, L.P. ("Fund II") has commitments raised of \$1,000,590,000.

The LLP entered into an Investment Advisory Agreement on the 7 September 2012 with BWE GP Limited, the general partner to the Fund I. The LLP also entered into an Investment Advisory Agreement on the 31 August 2016 with BWE GP II Limited, the general partner to Fund II. The LLP will be the sole provider of investment advisory services to BWE GP Limited & BWE GP II Limited.

#### **Results for the year and allocation to members**

The profit for the financial year before members' remuneration and profit shares, available for discretionary division among members was £12,061,499 (2019: £11,250,617)

#### **Designated members**

The designated members who served the LLP during the year were as follows:

Thomas Sikorski  
Jerker Johansson  
Graeme Sword

#### **Policy regarding members' drawings and the subscription and repayment of amounts subscribed or otherwise contributed by members**

Members are permitted to make drawings in anticipation of profits which will be allocated to them. The amount of such drawings is set at the beginning of each financial year, taking into account the anticipated cash needs of the LLP.

New members are required to subscribe a minimum level of capital and in subsequent years members are invited to subscribe for further capital, the amounts of which is determined by the performance and seniority of those members. On retirement, capital is repaid to members.

#### **Charitable donations**

During the year, the LLP made charitable contributions of £100,000 (2019: £100,000).

**Blue Water Energy LLP**  
**Members' Report (continued)**  
**Year ended 31 March 2020**

**Statement of members' responsibilities**

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

Company law as applied to limited liability partnerships by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 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 applied 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 of the LLP and the profit or loss of the LLP for that period.

In preparing these financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the LLP will continue in business.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the LLP's transactions and disclose with reasonable accuracy at any time the financial position of the LLP and enable them to ensure that the financial statements comply with the Companies Act 2006 as applied to limited liability partnerships by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. They are also responsible for safeguarding the assets of the LLP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Disclosure of information to auditors**

In so far as the members are aware:

- there is no relevant audit information of which the LLP's auditors are unaware; and
- the members have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

**Independent auditors**

PricewaterhouseCoopers CI LLP have been appointed as auditors for the ensuing year in accordance with section 485 of the Companies Act 2006 as modified by the Limited Liability Partnerships Regulations 2008. During the year PricewaterhouseCoopers CI LLP were appointed as auditors and PricewaterhouseCoopers LLP resigned.

This report was approved by the members on 16 June 2020 and signed on behalf of the members by:

  
Jerker Johansson  
Designated Member

# **Blue Water Energy LLP**

## **Independent Auditors' Report to the Members of Blue Water Energy LLP**

### **Report on the audit of the financial statements**

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#### **Opinion**

In our opinion, Blue Water Energy LLP's financial statements:

- give a true and fair view of the state of the limited liability partnership's affairs as at 31 March 2020 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); 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 (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

We have audited the financial statements, included within the Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 March 2020; the statement of comprehensive income, the statement of cash flows, the reconciliation of members' interests for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

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#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Independence*

We remained independent of the limited liability partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the members' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the limited liability partnership's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the limited liability partnership's ability to continue as a going concern.

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#### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The members are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

# Blue Water Energy LLP

## Independent Auditors' Report to the Members of Blue Water Energy LLP (continued)

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### Responsibilities for the financial statements and the audit

#### *Responsibilities of the members for the financial statements*

As explained more fully in the Statement of members' responsibilities set out on page 3, the members are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The members are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members are responsible for assessing the limited liability partnership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the members either intend to liquidate the limited liability partnership or to cease operations, or have no realistic alternative but to do so.

#### *Auditors' responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

#### *Use of this report*

This report, including the opinion, has been prepared for and only for the members of the partnership as a body in accordance with the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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## Other required reporting

### Companies Act 2006 exception reporting

Under the Companies Act 2006 as applicable to limited liability partnerships we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the limited liability partnership, 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.

We have no exceptions to report arising from this responsibility.



Tony Corbin (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers CI LLP  
Chartered Accountants and Statutory Auditors  
Guernsey, Channel Islands  
16 June 2020

**Blue Water Energy LLP**  
**Statement of Comprehensive Income**  
**Year ended 31 March 2020**

		2020	2019
	Note	£	£
<b>Turnover</b>	<b>4</b>	<b>19,110,214</b>	17,614,892
Administrative expenses		<u>(7,162,982)</u>	(6,579,656)
<b>Operating profit</b>	<b>5</b>	<b>11,947,232</b>	11,035,236
Other operating income	<b>7</b>	<b>98,846</b>	186,610
Other interest receivable and similar income	<b>8</b>	<u><b>15,421</b></u>	<u>28,771</u>
<b>Profit for the financial year before members' remuneration and profit shares available for discretionary division among members</b>		<u><b>12,061,499</b></u>	<u>11,250,617</u>
<b>Other comprehensive income</b>			
Other comprehensive income for the year		<u>-</u>	<u>-</u>
<b>Total comprehensive income for the year</b>		<u><b>12,061,499</b></u>	<u>11,250,617</u>

All the activities of the LLP are from continuing operations.

The notes on pages 11 to 19 form part of these financial statements.



**Blue Water Energy LLP**

Registered number: OC364534

**Balance Sheet****As at 31 March 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	10	450,757	487,571
<b>Current assets</b>			
Debtors	11	2,724,523	1,450,586
Cash at bank and in hand		591,416	1,449,491
		<u>3,315,939</u>	<u>2,900,077</u>
<b>Creditors: amounts falling due within one year</b>	12	<u>(1,812,224)</u>	<u>(1,394,023)</u>
<b>Net current assets</b>		<u>1,503,715</u>	<u>1,506,054</u>
<b>Total assets less current liabilities</b>		<u>1,954,472</u>	<u>1,993,625</u>
<b>Creditors: amounts falling due after more than one year</b>		-	-
<b>Net assets</b>		<u>1,954,472</u>	<u>1,993,625</u>
<b>Represented by:</b>			
<b>Loans and other debts due to members</b>			
Other amounts	15	1,891,322	1,930,475
<b>Members' other interests</b>			
Members' capital classified as equity		63,150	63,150
Other reserves		-	-
		<u>1,954,472</u>	<u>1,993,625</u>
<b>Total members' interests</b>			
Loans and other debts due to members		1,891,322	1,930,475
Members' other interests		63,150	63,150
		<u>1,954,472</u>	<u>1,993,625</u>

These financial statements were approved by the members and authorised for issue on 16 June 2020, and are signed on their behalf by:



Jerker Johansson  
Designated Member

The notes on pages 11 to 19 form part of these financial statements.

**Blue Water Energy LLP**  
**Reconciliation of Members' Interests**  
**Year ended 31 March 2020**

	Members' other interests			Loans and other debts due to members		Total members' interests
	Members' capital (classified as equity)	Other reserves	Total	Other amounts	Total	Total
	£	£	£	£	£	£
Amounts due to members	-	-	-	1,930,475	1,930,475	-
Amounts due from members	-	-	-	-	-	-
Balance at 1 April 2019	63,150	-	63,150	1,930,475	1,930,475	1,993,625
Profit for the financial year available for discretionary division among members	-	12,061,499	12,061,499	-	-	12,061,499
Members' interests after profit for the year	63,150	12,061,499	12,124,649	1,930,475	1,930,475	14,055,124
Other division of profits	-	(12,061,499)	(12,061,499)	12,061,499	12,061,499	-
Drawings	-	-	-	(12,100,652)	(12,100,652)	(12,100,652)
Amounts due to members	-	-	-	1,891,322	1,891,322	-
Amounts due from members	-	-	-	-	-	-
Balance at 31 March 2020	63,150	-	63,150	1,891,322	1,891,322	1,954,472

The notes on pages 11 to 19 form part of these financial statements.

**Blue Water Energy LLP**  
**Reconciliation of Members' Interests (continued)**  
**Year ended 31 March 2020**

	Members' other interests			Loans and other debts due to members		Total members' interests
	Members' capital (classified as equity)	Other reserves	Total	Other amounts	Total	Total
	£	£	£	£	£	£
Amounts due to members	-	-	-	787,559	787,559	-
Amounts due from members	-	-	-	-	-	-
Balance at 1 April 2018	63,150	-	63,150	787,559	787,559	850,709
Profit for the financial year available for discretionary division among members	-	11,250,617	11,250,617	-	-	11,250,617
Members' interests after profit for the year	63,150	11,250,617	11,313,767	787,559	787,559	12,101,326
Other division of profits	-	(11,250,617)	(11,250,617)	11,250,617	11,250,617	-
Drawings	-	-	-	(10,107,701)	(10,107,701)	(10,107,701)
Amounts due to members	-	-	-	1,930,475	1,930,475	-
Amounts due from members	-	-	-	-	-	-
Balance at 31 March 2019	63,150	-	63,150	1,930,475	1,930,475	1,993,625

The notes on pages 11 to 19 form part of these financial statements.

# Blue Water Energy LLP

## Statement of Cash Flows

Year ended 31 March 2020

		2020	2019
	Note	£	£
Cash generated from operations	16	11,474,740	12,162,204
Interest received		15,421	28,771
<b>Net cash generated from operating activities</b>		<b>11,490,161</b>	<b>12,190,975</b>
<b>Cash flows from investing activities</b>			
Payments to acquire tangible fixed assets	10	(112,473)	(485,026)
<b>Net cash used in investing activities</b>		<b>(112,473)</b>	<b>(485,026)</b>
<b>Cash flows from financing activities</b>			
Payments to members		(12,100,652)	(10,107,701)
Repayment of loans from group undertakings		-	(935,594)
<b>Net cash used in financing activities</b>		<b>(12,100,652)</b>	<b>(11,043,295)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(722,964)</b>	<b>662,654</b>
Cash and cash equivalents at beginning of year		1,449,491	822,951
Exchange losses on cash and cash equivalents		(135,111)	(36,114)
<b>Cash and cash equivalents at end of year</b>		<b>591,416</b>	<b>1,449,491</b>

The notes on pages 11 to 19 form part of these financial statements.

**Blue Water Energy LLP**  
**Notes to the Financial Statements**  
**Year ended 31 March 2020**

**1. General information**

Blue Water Energy LLP ("the LLP") is a Limited Liability Partnership and is incorporated in United Kingdom. The address of its registered office is 17 Connaught Place, 6th Floor, London, England, W2 2ES.

The principal activity of the LLP during the year was the provision of investment advisory services.

**2. Accounting policies**

**(a) Basis of preparation**

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), Companies Act 2006 as applied by LLPs and the Statement of Recommended Practice (SORP), Accounting by Limited Liability Partnerships. The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis for certain financial instruments as specified in the accounting policies below.

**(b) Going concern**

After reviewing the LLP's forecasts and projections, the members have a reasonable expectation that the LLP has adequate resources to continue in operational existence for the foreseeable future. The LLP therefore continues to adopt the going concern basis in preparing its financial statements.

**(c) Foreign currency**

*i) Functional and presentation currency*

The LLP's functional and presentation currency is GBP.

*ii) Transactions and balances*

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income except when deferred in other comprehensive income.

**(d) Turnover**

Turnover represents fees receivable from investment advisory services provided to private equity funds during the year. It is recognised to the extent that it is probable that the economic benefit will flow to the LLP and turnover can be reliably measured. Turnover is measured as the fair value of consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

**Blue Water Energy LLP**  
**Notes to the Financial Statements**  
**Year ended 31 March 2020**

**2. Accounting policies (continued)**

**(e) Other operating income**

Other operating income from the provision of the LLP's office space is recognised when costs for the services are incurred and are re-invoiced. Other operating income represents amounts received for the rendering of services and is stated net of discounts and value added tax.

**(f) Employee benefits**

The LLP provides a range of benefits to employees, including holiday arrangements and defined contribution pension plans.

*i) Short term benefits*

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

*ii) Defined contribution pension plans*

The LLP operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the LLP pays fixed contributions into a separate entity. Once the contributions have been paid the LLP has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in other creditors in the balance sheet. The assets of the plan are held separately from the LLP in independently administered funds.

*iii) Annual bonus plan*

The LLP operates a discretionary bonus plan for employees. An expense is recognised in the statement of comprehensive income when the LLP has a legal or constructive obligation to make payments under the plans as a result of past events and a reliable estimate of the obligation can be made.

**(g) Taxation**

Tax is borne by the individual members on their attributable profit shares and not by the LLP. Profits are shown within members' interests without any deductions for tax.

**(h) Tangible fixed assets and depreciation**

Tangible assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned, as follows:

Short Leasehold Improvements	- Over term of the lease
Office Equipment	- 33% on straight line basis
Fixtures and Fittings	- 25% on straight line basis

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively. Repairs, maintenance and minor inspection costs are expensed as incurred.

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the statement of comprehensive income and included in 'Other operating (losses)/gains'.

**Blue Water Energy LLP**  
**Notes to the Financial Statements**  
**Year ended 31 March 2020**

**2. Accounting policies (continued)**

**(i) Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

**(j) Cash and cash equivalents**

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within bank loans in current liabilities.

**(k) Financial instruments**

The LLP has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

*i) Financial assets*

Basic financial assets, including trade and other debtors and cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method. At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the statement of comprehensive income.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the statement of comprehensive income.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

*ii) Financial liabilities*

Basic financial liabilities, including trade and other creditors, bank loans and loans from fellow group companies are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

# Blue Water Energy LLP

## Notes to the Financial Statements

### Year ended 31 March 2020

#### 2. Accounting policies (continued)

##### (k) Financial instruments (continued)

The LLP has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in the statement of comprehensive income.

The LLP does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

#### 3. Judgements in applying the accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

##### *Critical judgements in applying the accounting policies*

The members do not consider that there are any critical judgements that have been made in the process of applying the accounting policies which would have a significant effect on the amounts recognised in the financial statements.

##### *Key sources of estimation uncertainty*

The members do not consider that there are any key assumptions considering the future, and other key sources of estimation uncertainty at the reporting date, that would have a significant risk of causing a material adjustment to the accruing amounts of the assets and liabilities within the next financial year.

#### 4. Turnover

Turnover arises from:

	2020	2019
	£	£
Rendering of services	<u>19,110,214</u>	<u>17,614,892</u>

The whole of the turnover is attributable to the principal activity of the LLP wholly undertaken in the United Kingdom.



**Blue Water Energy LLP**  
**Notes to the Financial Statements**  
**Year ended 31 March 2020**

**5. Operating profit**

Operating profit or loss is stated after charging:

	2020	2019
	£	£
Depreciation of tangible assets	149,287	163,660
Foreign exchange differences	299,803	513,964
<i>Fees payable for the audit of the financial statements</i>		
- Audit services	25,000	25,000
- Non-audit services	5,000	5,000
Operating lease costs	661,565	511,911
Exchange gains/(losses) on cash and cash equivalents	135,111	36,114
	<u>2,075,286</u>	<u>2,279,650</u>

**6. Employee information**

The average number of persons employed by the LLP during the year, including the members with contracts of employment, amounted to:

	2020	2019
	No.	No.
Administrative	14	12
Management	7	5
	<u>21</u>	<u>17</u>

The aggregate employment costs incurred during the year (excluding members) were:

	2020	2019
	£	£
Wages and salaries	2,521,916	2,190,116
Social security costs	337,533	284,720
Other benefits and pension costs	214,855	236,502
	<u>3,074,304</u>	<u>2,711,338</u>

**7. Other operating income**

	2020	2019
	£	£
Rental income	98,846	51,915
Secondment fees	-	134,695
	<u>98,846</u>	<u>186,610</u>

**8. Other interest receivable and similar income**

	2020	2019
	£	£
Interest receivable	15,421	28,771

**Blue Water Energy LLP**  
**Notes to the Financial Statements**  
**Year ended 31 March 2020**

**9. Information in relation to members**

	<b>2020</b>	2019
	<b>No.</b>	No.
Average number of members	<b>9</b>	10
	<b>2020</b>	2019
	<b>£</b>	£
Highest paid member's remuneration	<b>3,939,607</b>	<b>3,592,339</b>

**10. Tangible assets**

	Short leasehold improvements £	Office equipment £	Fixtures and fittings £	<b>Total</b> £
<b>Cost</b>				
At 1 April 2019	844,146	146,102	427,154	<b>1,417,402</b>
Additions	42,377	44,095	26,001	<b>112,473</b>
Disposals	(42,243)	-	-	<b>(42,243)</b>
<b>At 31 March 2020</b>	<b>844,280</b>	<b>190,197</b>	<b>453,155</b>	<b>1,487,632</b>
<b>Accumulated depreciation</b>				
At 1 April 2019	539,907	92,484	297,440	<b>929,831</b>
Charge for the year	71,255	34,075	43,957	<b>149,287</b>
Depreciation on disposals	(42,243)	-	-	<b>(42,243)</b>
<b>At 31 March 2020</b>	<b>568,919</b>	<b>126,559</b>	<b>341,397</b>	<b>1,036,875</b>
<b>NBV</b>				
<b>At 31 March 2020</b>	<b>275,361</b>	<b>63,638</b>	<b>111,758</b>	<b>450,757</b>
At 31 March 2019	<b>304,239</b>	<b>53,618</b>	<b>129,714</b>	<b>487,571</b>

**11. Debtors**

	<b>2020</b>	2019
	<b>£</b>	£
Trade debtors	<b>1,787,077</b>	1,062,120
Prepayments and accrued income	<b>694,178</b>	178,056
VAT receivable	<b>137,082</b>	141,738
Other debtors	<b>106,186</b>	68,672
	<b>2,724,523</b>	<b>1,450,586</b>

Amounts included within trade debtors of £599,978 (2019: £251,214) relate to amounts owed by BWE GP Limited.

Amounts included within trade debtors of £850,167 (2019: £253,171) relate to amounts owed by BWE GP II Limited.

Amounts included within other debtors of £99,152 (2019: £54,623) relates to work in progress which can be recharged to the BWE Funds as project costs incurred by the LLP, which are expected to be recovered within one year from the balance sheet date. Provision is made for irrecoverable costs where appropriate. As at 31 March 2020 no provision has been made (2019: £nil).

**Blue Water Energy LLP**  
**Notes to the Financial Statements**  
**Year ended 31 March 2020**

**12. Creditors: amounts falling due within one year**

	2020	2019
	£	£
Trade creditors	227,441	234,254
Accruals and deferred income	1,341,110	1,064,423
Other creditors	76,995	73,633
Derivatives	166,678	21,713
	<u>1,812,224</u>	<u>1,394,023</u>

Amounts included within other creditors of £10,347 (2019: £20,313) related to amounts due to the pension fund administered by Legal & General.

**13. Commitments under operating leases**

At 31 March 2020 the LLP had future minimum lease payments under non-cancellable operating leases as set out below.

	2020	2019
	£	£
Operating leases which expire:		
Not later than 1 year	-	180,412
Later than 1 year and not later than 5 years	3,129,897	3,123,777
	<u>3,129,897</u>	<u>3,304,189</u>

**Blue Water Energy LLP**  
**Notes to the Financial Statements**  
**Year ended 31 March 2020**

**14. Related party transactions**

The LLP has taken advantage of the exemption, as provided by paragraph 33.1A of FRS 102 and does not disclose transactions with members of the same group that are wholly owned. The LLP discloses transactions with related parties which are not wholly owned with the same group.

The LLP entered into related party transactions with BWE Holdings Limited, BWE General Partner, L.P., BWE General Partner II, L.P., BWE GP Limited and BWE GP II Limited during the year. Transactions entered into during the year are as follows:

	2020	2019
	£	£
Advisory fees from BWE GP Limited	8,803,768	8,085,939
Advisory fees from BWE GP II Limited	10,306,446	9,528,952
Key management personnel compensation	12,061,499	11,250,617

Trading balances outstanding at the year end are shown in Note 11.

**BWE Holdings Limited**

BWE Holdings Limited, a company incorporated in Guernsey, is under the common control of all the individual designated members of the LLP.

**BWE General Partner, L.P.**

BWE General Partner L.P., a limited partnership incorporated in Guernsey, whose decisions are made by BWE GP Limited.

**BWE General Partner II, L.P.**

BWE General Partner II L.P., a limited partnership incorporated in Guernsey, whose decisions are made by BWE GP II Limited.

**BWE GP Limited**

BWE GP Limited, a company incorporated in Guernsey, is the General Partner of BWE General Partner, L.P. and makes all decisions on its behalf. BWE Holdings Limited is the ultimate parent of BWE GP Limited.

**BWE GP II Limited**

BWE GP II Limited, a company incorporated in Guernsey, is the General Partner of BWE General Partner II, L.P. and makes all decisions on its behalf. BWE Holdings Limited is the ultimate parent of BWE GP II Limited.

**BWE (London) Limited**

BWE (London) Limited, a company incorporated in England and Wales, is also a member of Blue Water Energy LLP.

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the LLP. The total compensation paid to key management personnel for services provided to the LLP was £12,061,499 (2019: £11,250,617).

**Blue Water Energy LLP**  
**Notes to the Financial Statements**  
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**15. Loans and other debts due to members**

	2020 £	2019 £
Amounts owed to members in respect of profits	<u>1,891,322</u>	<u>1,930,475</u>

The liabilities of the LLP are not secured against any assets of the LLP. There are no restrictions or limitations existing on the ability of the members to reduce the amount of members' other interest.

**16. Cash generated from operations**

	2020 £	2019 £
Profit for the financial year	12,061,499	11,250,617
<i>Adjustments for:</i>		
Depreciation of tangible assets	149,287	163,660
Other interest receivable and similar income	(15,421)	(28,771)
Exchange losses on cash and cash equivalents	135,111	36,114
Profit on disposal of fixed assets	-	1,765
<i>Movement in:</i>		
Trade and other debtors	(1,273,937)	1,026,123
Trade and other creditors	418,201	(287,304)
	<u>11,474,740</u>	<u>12,162,204</u>

**17. Employee benefits**

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £85,496 (2019: £78,523).

**18. Subsequent events**

The outbreak of the COVID-19 pandemic has led to continued uncertainty. However, we do not expect any material impact to the LLP's main income stream over the next 12 months, and in the immediate future beyond it. There have been no other events subsequent to the year-end which require adjustment of or disclosure in the financial statements or in the notes.

**19. Ultimate controlling party**

The LLP does not have a parent undertaking. The ultimate controlling party of the LLP is considered to be the designated members, Mr. J Johansson, Mr. G Sword and Mr. T Sikorski.