

REGISTERED NUMBER: OC364534

**Blue Water Energy LLP**  
**Annual Report**  
**31 March 2023**



# **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 2023**

The members present their report and the audited financial statements of Blue Water Energy LLP ("the LLP") for the year ended 31 March 2023.

#### **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 7. The LLP's balance sheet as detailed on page 8 shows a satisfactory position with Members' total interests amounting to £6,460,596 (2022: £2,239,094).

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

Blue Water Energy Fund II, L.P. ("Fund II") has raised commitments 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 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 £10,496,251 (2022: £11,722,014)

#### **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 (2021: £113,187).

**Blue Water Energy LLP**  
**Members' Report (continued)**  
**Year ended 31 March 2023**

**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, comprising FRS 102, the Financial Reporting Standard applicable in the UK and republic of Ireland, 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, comprising FRS 102, 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.

This report was approved by the members on 27 June 2023 and signed on behalf of the members by:

  
Jerker Johansson  
Designated Member

# Independent auditors' report to the members of Blue Water Energy LLP

## Report on the audit of the financial statements

### Opinion

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

- give a true and fair view of the state of the LLP's affairs as at 31 March 2023 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, including 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 Annual Report, which comprise: the balance sheet as at 31 March 2023; the statement of comprehensive income, reconciliation of members' interests and statement of cash flows for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

### 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 LLP 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.

### Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the LLP's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

Our responsibilities and the responsibilities of the members with respect to going concern are described in the relevant sections of this report.

## **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.

## **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 within the Members' Report, 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 LLP'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 LLP 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the LLP and industry, we identified that the principal risks of non-compliance with laws and regulations related to the preparation of the financial statements such as 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 we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries to turnover or expenses. Audit procedures performed by the engagement team included:

- Enquiries with management as to any actual or suspected instances of fraud or non-compliance with laws and regulations;
- Inspecting legal fee expenditure for any indication of undisclosed litigation and reviewing any correspondence with the FCA;
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our audit procedures;
- Identifying and testing journal entries, in particular any journal entries posted at year end.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one

resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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 opinions, 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 these opinions, 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.

## **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 obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the LLP, 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.



Paul Silcock (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers CI LLP  
Chartered Accountants and Statutory Auditors  
Guernsey  
28 June 2023

**Blue Water Energy LLP**  
**Statement of Comprehensive Income**  
**Year ended 31 March 2023**

	Note	2023 £	2022 £
<b>Turnover</b>	<b>4</b>	<b>18,548,700</b>	18,441,533
Administrative expenses		<b>(8,168,186)</b>	(6,782,662)
<b>Operating profit</b>	<b>5</b>	<b>10,380,514</b>	11,658,871
Other operating income	<b>7</b>	<b>115,000</b>	63,131
Other interest receivable and similar income	<b>8</b>	<b>737</b>	12
<b>Profit for the financial year before members' remuneration and profit shares available for discretionary division among members</b>		<b><u>10,496,251</u></b>	<u>11,722,014</u>
<b>Other comprehensive income</b>			
Other comprehensive income for the year		-	-
<b>Total comprehensive income for the year</b>		<b><u>10,496,251</u></b>	<u>11,722,014</u>

All the activities of the LLP are from continuing operations.

The notes on pages 12 to 21 form part of these financial statements.

**Blue Water Energy LLP**

Registered number: OC364534

**Balance Sheet****As at 31 March 2023**

	Note	2023 £	2022 £
<b>Fixed assets</b>			
Intangible assets	10	7,333	-
Tangible assets	11	108,004	247,845
<b>Current assets</b>			
Debtors	12	3,846,536	1,582,766
Cash at bank and in hand		3,975,461	2,434,484
		<u>7,821,997</u>	<u>4,017,250</u>
<b>Creditors: amounts falling due within one year</b>	13	<u>(1,476,739)</u>	<u>(2,026,002)</u>
<b>Net current assets</b>		<u>6,345,258</u>	<u>1,991,248</u>
<b>Total assets less current liabilities</b>		<u>6,460,596</u>	<u>2,239,094</u>
<b>Net assets</b>		<u>6,460,596</u>	<u>2,239,094</u>
<b>Represented by:</b>			
<b>Loans and other debts due to members</b>			
Other amounts	16	6,385,596	2,164,094
<b>Members' other interests</b>			
Members' capital classified as equity		75,000	75,000
Other reserves		-	-
		<u>6,460,596</u>	<u>2,239,094</u>
<b>Total members' interests</b>			
Loans and other debts due to members		6,385,596	2,164,094
Members' other interests		75,000	75,000
		<u>6,460,596</u>	<u>2,239,094</u>

These financial statements were approved by the members and authorised for issue on 27 June 2023, and are signed on their behalf by:

  
 Jerker Johansson  
 Designated Member

The notes on pages 12 to 21 form part of these financial statements.

**Blue Water Energy LLP**  
**Reconciliation of Members' Interests**  
**Year ended 31 March 2023**

	Members' other interests			Loans and other debts due to members		Total members' interests Total
	Members' capital (classified as equity)	Other reserves	Total	Other amounts	Total	
	£	£	£	£	£	
Amounts due to members	-	-	-	2,164,094	2,164,094	-
Amounts due from members	-	-	-	-	-	-
Balance at 1 April 2022	75,000	-	75,000	2,164,094	2,164,094	2,239,094
Profit for the financial year available for discretionary division among members	-	10,496,251	10,496,251	-	-	10,496,251
Members' interests after profit for the year	75,000	10,496,251	10,571,251	2,164,094	2,164,094	12,735,345
Other division of profits	-	(10,496,251)	(10,496,251)	10,496,251	10,496,251	-
Introduced by members	1,750	-	1,750	-	-	1,750
Repayments to members	(1,750)	-	(1,750)	-	-	(1,750)
Drawings	-	-	-	(6,274,749)	(6,274,749)	(6,274,749)
Amounts due to members	-	-	-	6,385,596	6,385,596	-
Amounts due from members	-	-	-	-	-	-
Balance at 31 March 2023	75,000	-	75,000	6,385,596	6,385,596	6,460,596

The notes on pages 12 to 21 form part of these financial statements.

**Blue Water Energy LLP**  
**Reconciliation of Members' Interests (continued)**  
**Year ended 31 March 2022**

	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	-	-	-	1,079,761	1,079,761	-
Amounts due from members	-	-	-	-	-	-
Balance at 1 April 2021	63,150	-	63,150	1,079,761	1,079,761	1,142,911
Profit for the financial year available for discretionary division among members	-	11,722,014	11,722,014	-	-	11,722,014
Members' interests after profit for the year	63,150	11,722,014	11,785,164	1,079,761	1,079,761	12,864,925
Other division of profits	-	(11,722,014)	(11,722,014)	11,722,014	11,722,014	-
Introduced by members	19,950	-	19,950	-	-	19,950
Repayments to members	(8,100)	-	(8,100)	-	-	(8,100)
Drawings	-	-	-	(10,637,681)	(10,637,681)	(10,637,681)
Amounts due to members	-	-	-	2,164,094	2,164,094	-
Amounts due from members	-	-	-	-	-	-
Balance at 31 March 2022	75,000	-	75,000	2,164,094	2,164,094	2,239,094

The notes on pages 12 to 21 form part of these financial statements.

**Blue Water Energy LLP**  
**Statement of Cash Flows**  
**Year ended 31 March 2023**

	Note	2023 £	2022 £
Cash generated from operations	17	8,063,388	12,469,046
Interest received		737	12
<b>Net cash generated from operating activities</b>		<u>8,064,125</u>	<u>12,469,058</u>
<b>Cash flows from investing activities</b>			
Acquisition of intangible assets	10	(8,000)	-
Acquisition of tangible assets	11	(26,945)	(115,334)
<b>Net cash used in investing activities</b>		<u>(34,945)</u>	<u>(115,334)</u>
<b>Cash flows from financing activities</b>			
Contributions by members		1,750	11,850
Repayments to members		(1,750)	-
Payments to members		(6,274,749)	(10,637,681)
<b>Net cash used in financing activities</b>		<u>(6,274,749)</u>	<u>(10,625,831)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>1,754,431</b>	<b>1,727,891</b>
Cash and cash equivalents at beginning of year		2,434,484	867,123
Exchange losses on cash and cash equivalents		(213,453)	(160,530)
<b>Cash and cash equivalents at end of year</b>		<u>3,975,461</u>	<u>2,434,484</u>

The notes on pages 12 to 21 form part of these financial statements.

**Blue Water Energy LLP**  
**Notes to the Financial Statements**  
**Year ended 31 March 2023**

**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, comprising FRS 102 - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland', Companies Act 2006 as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 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. The principal accounting policies applied in the preparation of these Financial Statements are set out below. These policies have been consistently applied to all the years presented, unless stated otherwise.

**(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 as the Partnership is registered in the UK, which is the primary economic environment in which the LLP operates.

*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 2023**

**2. Accounting policies (continued)**

**(e) Other operating income**

Other operating income from the provision of the LLP's office space is recognised on an accruals basis when costs for the services are incurred and are re-invoiced.

**(f) Administrative Expenses**

Administrative expenses are recognised in the Statement of Comprehensive Income on an accruals basis.

**(g) 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 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.

**(h) 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.

**(i) Intangible assets and amortisation**

Intangible assets are initially recognised at cost, which is the purchase price plus any directly attributable costs. Subsequently, intangible assets are measured at cost less any accumulated amortisation and impairment losses. Amortisation is charged on a straight-line basis to administrative expenses in the statement of comprehensive income over the useful life of the asset. The useful lives are determined based on the period of time in which economic benefits are expected to be derived from the assets, set out as follows:

Website development costs                      - 2 years

Intangible assets are derecognised on disposal or when no future economic benefits are expected.

**Blue Water Energy LLP**  
**Notes to the Financial Statements**  
**Year ended 31 March 2023**

**2. Accounting policies (continued)**

**(j) Tangible 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'.

**(k) 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.

**(l) 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.

**Blue Water Energy LLP**  
**Notes to the Financial Statements**  
**Year ended 31 March 2023**

**2. Accounting policies (continued)**

**(m) 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 payments 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.

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

**(n) Derivatives**

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 administrative expenses in the statement of comprehensive income.

**Blue Water Energy LLP**  
**Notes to the Financial Statements**  
**Year ended 31 March 2023**

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

**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:

	2023	2022
	£	£
Rendering of services	<u>18,548,700</u>	<u>18,441,533</u>

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

**5. Operating profit**

Operating profit or loss is stated after charging:

	2023	2022
	£	£
Depreciation of tangible assets	166,787	185,416
Foreign exchange differences	(535,538)	(329,128)
<i>Fees payable for the audit of the financial statements</i>		
- Audit services	37,050	33,250
Operating lease costs	662,485	662,485
Exchange gains on cash and cash equivalents	<u>213,453</u>	<u>160,530</u>

**Blue Water Energy LLP**  
**Notes to the Financial Statements**  
**Year ended 31 March 2023**

**6. Employee information**

The average number of persons employed by the LLP during the year, excluding members, amounted to:

	<b>2023</b>	<b>2022</b>
	<b>No.</b>	<b>No.</b>
Administrative staff	15	13
Investment staff	10	9
	<u>25</u>	<u>22</u>

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

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Wages and salaries	3,660,346	2,870,684
Social security costs	482,438	364,051
Other benefits and pension costs	283,706	264,724
	<u>4,426,490</u>	<u>3,499,639</u>

**7. Other operating income**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Rental income	115,000	63,131
	<u>115,000</u>	<u>63,131</u>

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

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Interest receivable	737	12
	<u>737</u>	<u>12</u>

**9. Information in relation to members**

	<b>2023</b>	<b>2022</b>
	<b>No.</b>	<b>No.</b>
Average number of members	6	8
	<u>6</u>	<u>8</u>

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Highest paid member's remuneration	3,524,351	3,681,122
	<u>3,524,351</u>	<u>3,681,122</u>

**Blue Water Energy LLP**  
**Notes to the Financial Statements**  
**Year ended 31 March 2023**

**10. Intangible assets**

	Website Development Costs £	Total £
<b>Cost</b>		
At 1 April 2022	-	-
Additions	8,000	8,000
<b>At 31 March 2023</b>	<u>8,000</u>	<u>141,186</u>
<b>Accumulated amortisation</b>		
At 1 April 2022	-	-
Charge for the year	667	667
<b>At 31 March 2023</b>	<u>667</u>	<u>667</u>
<b>NBV</b>		
<b>At 31 March 2023</b>	<u>7,333</u>	<u>7,333</u>
At 31 March 2022	<u>-</u>	<u>-</u>

**11. Tangible assets**

	Short leasehold improvements £	Office equipment £	Fixtures and fittings £	Total £
<b>Cost</b>				
At 1 April 2022	946,341	141,186	448,335	1,535,862
Additions	7,159	18,019	2,570	26,945
<b>At 31 March 2023</b>	<u>953,500</u>	<u>158,402</u>	<u>450,905</u>	<u>1,562,807</u>
<b>Accumulated depreciation</b>				
At 1 April 2022	759,551	117,289	411,177	1,288,017
Charge for the year	117,745	17,490	31,822	166,787
<b>At 31 March 2023</b>	<u>877,026</u>	<u>134,779</u>	<u>442,999</u>	<u>1,454,804</u>
<b>NBV</b>				
<b>At 31 March 2023</b>	<u>76,474</u>	<u>23,623</u>	<u>7,907</u>	<u>108,004</u>
At 31 March 2022	<u>186,790</u>	<u>23,897</u>	<u>37,158</u>	<u>247,845</u>

**Blue Water Energy LLP**  
**Notes to the Financial Statements**  
**Year ended 31 March 2023**

**12. Debtors**

	2023	2022
	£	£
Trade debtors	2,642,159	618,324
Prepayments and accrued income	783,604	694,020
VAT receivable	98,200	120,507
Other debtors	283,924	149,915
Derivatives	28,649	-
	<u>3,846,536</u>	<u>1,582,766</u>

Amounts included within trade debtors of £738,697 (2022: £132,456) relate to amounts owed by BWE GP Limited.

Amounts included within trade debtors of £1,240,000 (2022: £193,912) relate to amounts owed by BWE GP II Limited.

Amounts included within other debtors of £131,283 (2022: £134,802) relates to work in progress which can be recharged to BWE Fund I and BWE Fund II 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 2023 no provision has been made (2022: £nil).

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

	2023	2022
	£	£
Trade creditors	435,654	397,364
Accruals and deferred income	911,249	1,324,717
Other creditors	129,836	136,975
Derivatives	-	166,946
	<u>1,476,739</u>	<u>2,026,002</u>

Amounts included within other creditors of £21,446 (2022: £17,373) related to amounts due to the pension fund administered by Legal & General.

**14. Commitments under operating leases**

At 31 March 2023 the LLP had future minimum lease payments under non-cancellable operating leases as set out below.

	2023	2022
	£	£
Operating leases which expire:		
Not later than 1 year	522,642	-
Later than 1 year and not later than 5 years	-	1,391,727
	<u>522,642</u>	<u>1,391,727</u>

**Blue Water Energy LLP**  
**Notes to the Financial Statements**  
**Year ended 31 March 2023**

**15. 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:

	2023	2022
	£	£
Advisory fees from BWE GP Limited	7,730,209	7,845,300
Advisory fees from BWE GP II Limited	10,818,491	10,596,233
Key management personnel compensation	10,496,251	11,722,014

Outstanding balances at the year-end are shown in Note 12.

**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 £10,496,251 (2022: £11,722,014).

**16. Loans and other debts due to members**

	2023	2022
	£	£
Amounts owed to members in respect of profits	<u>6,385,596</u>	<u>2,164,094</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.

**Blue Water Energy LLP**  
**Notes to the Financial Statements**  
**Year ended 31 March 2023**

**17. Cash generated from operations**

	<b>2023</b>	<b>2022</b>
	£	£
Profit for the financial year	<b>10,496,251</b>	11,722,014
<i>Adjustments for:</i>		
Amortization of intangible assets	<b>667</b>	-
Depreciation of tangible assets	<b>166,787</b>	185,416
Other interest receivable and similar income	<b>(737)</b>	(12)
Exchange gains/(losses) on cash and cash equivalents	<b>213,453</b>	160,530
<i>Movement in:</i>		
(Increase)/decrease in debtors	<b>(2,235,121)</b>	513,206
Increase/(decrease) in creditors	<b>(577,912)</b>	(112,108)
	<b><u>8,063,388</u></b>	<u>12,469,046</u>

**18. Employee benefits**

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £119,966 (2022: £93,981).

**19. Subsequent events**

There have been no events subsequent to the year-end which require adjustment of or disclosure in the financial statements or in the notes.

**20. Ultimate controlling party**

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