

REGISTERED NUMBER: OC364534

Blue Water Energy LLP
Annual Report
31 March 2024



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 auditor

PricewaterhouseCoopers CI LLP
Royal Bank Place
1 Gategny 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 2024

The members present their annual report and the audited financial statements of Blue Water Energy LLP ("the LLP") for the year ended 31 March 2024.

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 £7,591,878 (2023: £6,460,596).

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 BWE General Partner, L.P., the General Partner to Blue Water Energy Fund I, L.P. & I-A, L.P. The LLP also entered into an Investment Advisory Agreement on the 31 August 2016 with BWE GP II Limited, the general partner to BWE General Partner II, L.P., the general partner to Blue Water Energy Fund II, L.P. 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 total comprehensive income for the financial year before members' remuneration and profit shares, available for discretionary division among members was £6,735,891 (2023: £10,496,251)

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 (2023: £100,000).

Blue Water Energy LLP
Members' Report (continued)
Year ended 31 March 2024

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 for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

In so far as the members are aware:

- there is no relevant audit information of which the LLP's auditor is 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 auditor is aware of that information.

Independent auditor

PricewaterhouseCoopers CI LLP have been appointed as auditor 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 2024 and signed on behalf of the members by:

DocuSigned by:

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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 2024 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 2024; 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 breaches of UK regulatory principles, such as those governed by the Financial Conduct Authority ("FCA"), and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on 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. 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;
- Reviewing correspondence with the FCA in relation to compliance with laws and regulations;
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our audit procedures; and
- Risk based journals testing, with a focus on 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. 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.

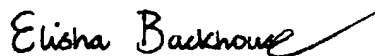
Other required reporting

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.



Elisha Backhouse (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers CI LLP
Chartered Accountants and Statutory Auditors
Guernsey
27 June 2024

Blue Water Energy LLP
Statement of Comprehensive Income
Year ended 31 March 2024

	Note	2024 £	2023 £
Turnover	4	14,862,670	18,548,700
Administrative expenses		<u>(8,197,187)</u>	<u>(8,168,186)</u>
Operating profit	5	6,665,483	10,380,514
Other income	7	64,431	115,000
Other interest receivable and similar income	8	<u>5,977</u>	<u>737</u>
Profit for the financial year before members' remuneration and profit shares available for discretionary division among members		<u>6,735,891</u>	<u>10,496,251</u>
Total comprehensive income for the year		<u>6,735,891</u>	<u>10,496,251</u>

All the activities of the LLP are from continuing operations.

The notes on pages 12 to 22 form part of these financial statements.

Blue Water Energy LLP

Registered number: OC364534

Balance Sheet**As at 31 March 2024**

	Note	2024 £	2023 £
Fixed assets			
Intangible assets	10	10,833	7,333
Tangible assets	11	16,926	108,004
Current assets			
Debtors and prepayments	12	5,205,958	3,846,536
Cash at bank and in hand		3,086,985	3,975,461
		<u>8,292,943</u>	<u>7,821,997</u>
Creditors: amounts falling due within one year	13	<u>(728,825)</u>	<u>(1,476,739)</u>
Net current assets		<u>7,564,118</u>	<u>6,345,258</u>
Total assets less current liabilities		<u>7,591,878</u>	<u>6,460,596</u>
Net assets		<u>7,591,878</u>	<u>6,460,596</u>
Represented by:			
Loans and other debts due to members			
Amounts owed to members in respect of profits	16	7,516,878	6,385,596
Members' other interests			
Members' capital classified as equity		75,000	75,000
Other reserves		-	-
		<u>7,591,878</u>	<u>6,460,596</u>
Total members' interests		<u>7,516,878</u>	<u>6,385,596</u>
Loans and other debts due to members		75,000	75,000
Members' other interests		<u>7,591,878</u>	<u>6,460,596</u>

These financial statements were approved by the members and authorised for issue on 27 June 2024, and are signed on their behalf by:

DocuSigned by:

 0EBD1ABA3149480...
 Jerker Johansson
 Designated Member

The notes on pages 12 to 22 form part of these financial statements.

Blue Water Energy LLP
Reconciliation of Members' Interests
Year ended 31 March 2024

	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	-	-	-	6,385,596	6,385,596	6,385,596
Amounts due from members	-	-	-	-	-	-
Balance at 1 April 2023	75,000	-	75,000	6,385,596	6,385,596	6,460,596
Profit for the financial year available for discretionary division among members	-	6,735,891	6,735,891	-	-	6,735,891
Members' interests after profit for the year	75,000	6,735,891	6,810,891	6,385,596	6,385,596	13,196,487
Other division of profits	-	(6,735,891)	(6,735,891)	6,735,891	6,735,891	-
Introduced by members	3,000	-	3,000	-	-	3,000
Repayments to members	(3,000)	-	(3,000)	-	-	(3,000)
Drawings	-	-	-	(5,604,609)	(5,604,609)	(5,604,609)
Amounts due to members	-	-	-	7,516,878	7,516,878	7,516,878
Amounts due from members	-	-	-	-	-	-
Balance at 31 March 2024	75,000	-	75,000	7,516,878	7,516,878	7,591,878

The notes on pages 12 to 22 form part of these financial statements.

Blue Water Energy LLP
Reconciliation of Members' Interests (continued)
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 22 form part of these financial statements.

Blue Water Energy LLP
Statement of Cash Flows
Year ended 31 March 2024

	Note	2024 £	2023 £
Cash generated from operations	17	4,670,199	8,258,983
Interest received		5,977	737
Net cash generated from operating activities		<u>4,676,176</u>	<u>8,259,720</u>
Cash flows from investing activities			
Acquisition of intangible assets	10	(12,000)	(8,000)
Acquisition of tangible assets	11	-	(26,945)
Net cash used in investing activities		<u>(12,000)</u>	<u>(34,945)</u>
Cash flows from financing activities			
Introduced by members		3,000	1,750
Repayments to members		(3,000)	(1,750)
Drawings		(5,604,609)	(6,274,749)
Net cash used in financing activities		<u>(5,604,609)</u>	<u>(6,274,749)</u>
Net increase/(decrease) in cash and cash equivalents		(940,433)	1,950,026
Cash and cash equivalents at beginning of year		3,975,461	2,434,484
Exchange losses on cash and cash equivalents		(4,921)	(213,453)
Exchange (gains)/losses on derivatives		56,878	(195,595)
Cash and cash equivalents at end of year		<u>3,086,984</u>	<u>3,975,461</u>

The notes on pages 12 to 22 form part of these financial statements.

Blue Water Energy LLP

Notes to the Financial Statements

Year ended 31 March 2024

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 detailed financial forecasts, the members have a reasonable expectation that the LLP has adequate resources to continue in operation for the foreseeable future. These projections consider expected turnover, cost management strategies, and have been stress-tested against various scenarios. 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.

(d) Turnover

Turnover represents fees receivable from investment advisory services indirectly 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 2024

2. Accounting policies (continued)

(e) Other income

Other 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
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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 2024

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. No changes were made during the year.

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. 100% of cash and cash equivalents is held as cash in hand.

Blue Water Energy LLP
Notes to the Financial Statements
Year ended 31 March 2024

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.

Blue Water Energy LLP
Notes to the Financial Statements
Year ended 31 March 2024

2. Accounting policies (continued)

(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.

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.

Blue Water Energy LLP
Notes to the Financial Statements
Year ended 31 March 2024.

4. Turnover

Turnover arises from:

	2024	2023
	£	£
Rendering of services	14,862,670	18,548,700

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:

	2024	2023
	£	£
Depreciation of tangible assets	91,078	166,787
Foreign exchange differences	(161,096)	(535,538)
<i>Fees payable for the audit of the financial statements</i>		
- Audit services	39,635	37,050
Operating lease costs	626,113	662,485
Exchange gains on cash and cash equivalents	4,921	213,453

6. Employee information

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

	2024	2023
	No.	No.
Administrative staff	17	15
Investment staff	10	10
	27	25

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

	2024	2023
	£	£
Wages and salaries	4,008,483	3,660,346
Social security costs	508,120	482,438
Other benefits and pension costs	328,663	283,706
	4,845,266	4,426,490

7. Other income

	2024	2023
	£	£
Rental income	64,431	115,000
	64,431	115,000

Blue Water Energy LLP
Notes to the Financial Statements
Year ended 31 March 2024

8. Other interest receivable and similar income

	2024	2023
	£	£
Interest receivable	<u>5,977</u>	<u>737</u>

9. Information in relation to members

	2024	2023
	No.	No.
Average number of members	<u>5</u>	<u>6</u>

	2024	2023
	£	£
Highest paid member's remuneration	<u>2,258,764</u>	<u>3,524,351</u>

10. Intangible assets

	Website Development Costs £	Total £
Cost		
At 1 April 2023	8,000	8,000
Additions	12,000	12,000
At 31 March 2024	<u>20,000</u>	<u>20,000</u>
Accumulated amortisation		
At 1 April 2023	667	667
Charge for the year	8,500	8,500
At 31 March 2024	<u>9,167</u>	<u>9,167</u>
NBV		
At 31 March 2024	<u>10,833</u>	<u>10,833</u>
At 31 March 2023	<u>7,333</u>	<u>7,333</u>

Blue Water Energy LLP
Notes to the Financial Statements
Year ended 31 March 2024

11. Tangible assets

	Short leasehold improvements £	Office equipment £	Fixtures and fittings £	Total £
Cost				
At 1 April 2023	953,500	158,402	450,905	1,562,807
Additions	-	-	-	-
At 31 March 2024	<u>953,500</u>	<u>158,402</u>	<u>450,905</u>	<u>1,562,807</u>
Accumulated depreciation				
At 1 April 2023	877,026	134,779	442,999	1,454,804
Charge for the year	73,505	12,664	4,909	91,078
At 31 March 2024	<u>950,531</u>	<u>147,443</u>	<u>447,908</u>	<u>1,545,882</u>
NBV				
At 31 March 2024	<u>2,969</u>	<u>10,959</u>	<u>2,998</u>	<u>16,926</u>
At 31 March 2023	<u>76,474</u>	<u>23,623</u>	<u>7,907</u>	<u>108,004</u>

12. Debtors and Prepayments

	2024 £	2023 £
Trade debtors	4,659,017	2,642,159
Prepayments and accrued income	210,542	783,604
VAT receivable	56,221	98,200
Other debtors	280,178	293,924
Derivatives	-	28,649
	<u>5,205,958</u>	<u>3,846,536</u>

Amounts included within trade debtors of £1,389,614 (2023: £738,697) relate to amounts owed by BWE GP Limited.

Amounts included within trade debtors of £2,906,377 (2023: £1,240,000) relate to amounts owed by BWE GP II Limited.

Amounts included within other debtors of £79,359 (2023: £131,283) relates to work in progress which can be recharged to Blue Water Energy Fund I & I-A, L.P. and Blue Water Energy Fund II, L.P. as project costs incurred by the LLP, which are expected to be recovered within one year from the Balance Sheet date. A provision is made for irrecoverable costs where appropriate. As at 31 March 2024 no provision has been made (2023: £nil).

Blue Water Energy LLP
Notes to the Financial Statements
Year ended 31 March 2024

13. Creditors: amounts falling due within one year

	2024	2023
	£	£
Trade creditors	99,680	435,654
Accruals and deferred income	467,713	911,249
Other creditors	133,202	129,836
Derivatives	28,230	-
	<u>728,825</u>	<u>1,476,739</u>

Amounts included within other creditors of £28,305 (2023: £21,446) related to amounts due to the pension fund administered by Legal & General.

14. Commitments under operating leases

At 31 March 2024 the LLP had future minimum lease payments under non-cancellable operating leases as set out below.

	2024	2023
	£	£
Operating leases which expire:		
Not later than 1 year	366,720	522,642
	<u>366,720</u>	<u>522,642</u>

Blue Water Energy LLP
Notes to the Financial Statements
Year ended 31 March 2024

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:

	2024	2023
	£	£
Advisory fees from BWE GP Limited	4,302,347	7,730,209
Advisory fees from BWE GP II Limited	10,560,323	10,818,491
Key management personnel compensation	6,735,891	10,496,251

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 £6,735,891 (2023: £10,496,251).

Blue Water Energy LLP
Notes to the Financial Statements
Year ended 31 March 2024

16. Loans and other debts due to members

	2024	2023
	£	£
Amounts owed to members in respect of profits	<u>7,516,878</u>	<u>6,385,596</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.

17. Cash generated from operations

	2024	2023
	£	£
Total Comprehensive Income for the year	6,735,891	10,496,251
<i>Adjustments for:</i>		
Amortisation of intangible assets	8,500	667
Depreciation of tangible assets	91,078	166,787
Other interest receivable and similar income	(5,977)	(737)
Exchange gains on cash and cash equivalents	4,922	213,453
Exchange gains/(losses) on derivatives	(56,878)	195,595
<i>Movement in:</i>		
Increase in debtors and prepayments	(1,388,071)	(2,235,121)
Decrease in creditors	(719,266)	(577,912)
	<u>4,670,199</u>	<u>8,258,983</u>

18. Employee benefits

The amount recognised in the Statement of Comprehensive Income as an expense in relation to defined contribution plans was £139,762 (2023: £119,966).

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.