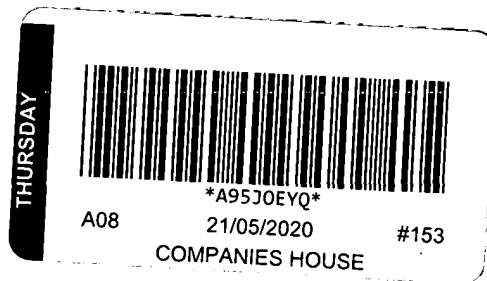


REGISTERED NUMBER: OC339361 (England and Wales)

**Members' Report and
Financial Statements
for the Year Ended 31 December 2019
for
BLUEFIN EUROPE LLP**



Contents of the Financial Statements
for the year ended 31 December 2019

	Page
General Information	1
Members' Report	2
Independent Auditors' Report	4
Income Statement	6
Other Comprehensive Income	7
Balance Sheet	8
Reconciliation of Members' Interests	9
Cash Flow Statement	11
Notes to the Cash Flow Statement	12
Notes to the Financial Statements	13

BLUEFIN EUROPE LLP
General Information
for the year ended 31 December 2019

Designated members:	Bluefin Holdings II LP L M Williams S S Gleadall
Registered office:	110 Bishopsgate London EC2N 4AY
Registered number:	OC339361 (England and Wales)
Auditors:	Haines Watts (City) LLP Statutory Auditor New Derwent House 69-73 Theobalds Road London WC1X 8TA
Business address:	110 Bishopsgate London EC2N 4AY

BLUEFIN EUROPE LLP (REGISTERED NUMBER: OC339361)

**Members' Report
for the year ended 31 December 2019**

The members present their report with the financial statements of Bluefin Europe LLP (the "LLP") for the year ended 31 December 2019

Principal activity

The principal activity of the LLP in the year under review was that of proprietary trading in Exchange Traded Funds and Exchange Traded Futures. The LLP is authorised and regulated by the Financial Conduct Authority and is a member of London Stock Exchange.

Review of business

Revenues from trading fixed income products in the United Kingdom increased in 2019 compared to 2018 primarily due to increased volumes and volatility in 2019. The volumes and volatility in 2019 increased due to the uncertainty surrounding a hard brexit. The LLP has adequate capital to meet not only the regulatory capital requirements but also for trading and working capital requirement. The current year has started satisfactorily and the Members expect to have positive results in the coming year.

Designated members

The designated members during the year under review were:

Bluefin Holdings II LP
L M Williams
S S Gleadall

Results for the year and allocation to members

The profit for the year before members' remuneration and profit shares was \$5,882,874 (2018 - \$3,223,325 profit).

Members' interests

The members drawing policy and the management of the partnership is set out in the Partnership Agreement dated 15 March 2017.

Pillar 3

The LLP is required by its regulator, The Financial Conduct Authority, to make its disclosure risk policy available in accordance with Pillar 3 of the capital requirement directive. This disclosure is un-audited and can be found on the LLP's website www.bluefineurope.co.uk.

Brexit

In light of the referendum vote for the UK to leave the EU, management are aware of, and continue to consider the potential impact of Article 50 being triggered on both its own activities and behaviours, and that of its client base.

Areas under consideration include potential political, regulatory, and exchange rate uncertainty which could impact the Company's business activity.

COVID-19 pandemic

The members acknowledge the current outbreak of COVID-19 which is causing economic disruption in most countries and its potentially adverse economic impact on the LLP. This is an additional risk factor which could impact the operations of the Company after year end.

However, the pandemic has resulted in profitable trading opportunities due to increased volumes and volatility in fixed income ETF products, along with decreased competition due to COVID-19.

**Members' Report
for the year ended 31 December 2019**

Statement of members' responsibilities

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

Legislation applicable to limited liability partnerships 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under legislation applicable to limited liability partnerships the members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the LLP and of 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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 LLPs 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.

Statement as to disclosure of information to auditors

So far as the members are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the LLP's auditors are unaware, and each member has taken all the steps that he ought to have taken as a member in order to make himself aware of any relevant audit information and to establish that the LLP's auditors are aware of that information.

On behalf of the members:



L.M Williams - Designated member

24 April 2020

Independent Auditors' Report to the Members of Bluefin Europe LLP

Opinion

We have audited the financial statements of Bluefin Europe LLP (the 'LLP') for the year ended 31 December 2019 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Reconciliation of Members' Interests, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the LLP's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to LLPs by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the LLP in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the 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 LLP'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.

COVID -19 pandemic

However, not all future events or conditions can be predicted. The COVID-19 viral pandemic is one of the most significant economic events for the UK with unprecedented levels of uncertainty of outcomes. It is therefore difficult to evaluate all of the potential implications on the LLP's trade, customers, suppliers and wider economy. The members' view on the impact of COVID-19 is disclosed in the members' report and in accounting policies note 3.

Other information

The members are responsible for the other information. The other information comprises the information in the Members' Report, but does not include the financial statements and our Auditors' Report thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 as applied to LLPs requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

**Independent Auditors' Report to the Members of
Bluefin Europe LLP**

Responsibilities of members

As explained more fully in the Statement of Members' Responsibilities set out on page three, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the members determine 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.

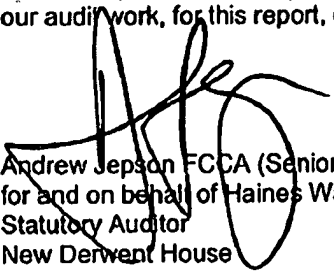
Auditors' responsibilities for the audit of the financial statements

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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our report

This report is made solely to the LLP's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to LLPs by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the LLP's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the LLP and the LLP's members as a body, for our audit work, **our audit work, for this report, or for the opinions we have formed.**



**Andrew Jepson FCCA (Senior Statutory Auditor)
for and on behalf of Haines Watts (City) LLP
Statutory Auditor
New Derwent House
69-73 Theobalds Road
London
WC1X 8TA**

24 April 2020

BLUEFIN EUROPE LLP (REGISTERED NUMBER: OC339361)

Income Statement
for the year ended 31 December 2019

	Notes	2019 \$	2018 \$
Turnover	4	11,681,423	7,887,342
Administrative expenses		<u>(5,798,549)</u>	<u>(4,664,017)</u>
Operating profit and Profit for the financial year before members' remuneration and profit shares		<u>5,882,874</u>	<u>3,223,325</u>
Profit for the financial year before members' remuneration and profit shares		5,882,874	3,223,325
Members' remuneration charged as an expense	8	<u>(2,448,658)</u>	<u>(953,426)</u>
Profit for the financial year available for discretionary division among members		<u>3,434,216</u>	<u>2,269,899</u>

The notes form part of these financial statements

BLUEFIN EUROPE LLP (REGISTERED NUMBER: OC339361)

Other Comprehensive Income
for the year ended 31 December 2019

Notes	2019 \$	2018 \$
Profit for the financial year available for discretionary division among members	3,434,216	2,269,899
Other comprehensive income	<u>-</u>	<u>-</u>
Total comprehensive income for the year	<u>3,434,216</u>	<u>2,269,899</u>

The notes form part of these financial statements

BLUEFIN EUROPE LLP (REGISTERED NUMBER: OC339361)

Balance Sheet
31 December 2019

	Notes	\$	2019 \$	\$	2018 \$
Fixed assets					
Tangible assets	9		3,222		32,956
Current assets					
Debtors	10	26,254,583		20,564,830	
Cash at bank		<u>494,505</u>		<u>423,189</u>	
		26,749,088		20,988,019	
Creditors					
Amounts falling due within one year	11	<u>2,173,071</u>		<u>1,248,778</u>	
Net current assets			<u>24,576,017</u>		<u>19,739,241</u>
Total assets less current liabilities and Net assets attributable to members			<u>24,579,239</u>		<u>19,772,197</u>
Loans and other debts due to members	15		3,191,676		1,818,850
Members' other interests					
Capital accounts			13,000,000		13,000,000
Other reserves	16		<u>8,387,563</u>		<u>4,953,347</u>
			<u>24,579,239</u>		<u>19,772,197</u>
Total members' interests					
Loans and other debts due to members	15		3,191,676		1,818,850
Members' other interests			<u>21,387,563</u>		<u>17,953,347</u>
			<u>24,579,239</u>		<u>19,772,197</u>

The financial statements were approved by the members of the LLP and authorised for issue on 24 April 2020 and were signed by:



L.M. Williams - Designated member

Reconciliation of Members' Interests
for the year ended 31 December 2019

	Members' capital (classified as equity)	EQUITY	
		Members' other interests	Total
	\$	\$	\$
Balance at 1 January 2019	13,000,000	4,953,347	17,953,347
Members' remuneration charged as an expense, including employment and retirement benefit costs	-	-	-
Profit for the financial year available for discretionary division among members	-	3,434,216	3,434,216
Members' interests after profit for the year	13,000,000	8,387,563	21,387,563
Drawings	-	-	-
Other movements	-	-	-
Balance at 31 December 2019	<u>13,000,000</u>	<u>8,387,563</u>	<u>21,387,563</u>

	Loans and other debts due to members less any amounts due from members in debtors	DEBT	TOTAL MEMBERS' INTERESTS
		Other amounts	Total
	\$	\$	\$
Amount due to members	1,818,850	-	1,818,850
Amount due from members	-	-	-
Balance at 1 January 2019	1,818,850	-	19,772,197
Members' remuneration charged as an expense, including employment and retirement benefit costs	2,448,658	-	2,448,658
Profit for the financial year available for discretionary division among members	-	-	3,434,216
Members' interests after profit for the year	4,267,508	-	25,655,071
Drawings	(946,658)	-	(946,658)
Other movements	(129,174)	-	(129,174)
Amount due to members	3,191,676	-	3,191,676
Amount due from members	-	-	-
Balance at 31 December 2019	<u>3,191,676</u>	-	<u>24,579,239</u>

BLUEFIN EUROPE LLP (REGISTERED NUMBER: OC339361)

Reconciliation of Members' Interests
for the year ended 31 December 2019

	Members' capital (classified as equity) \$	EQUITY	
		Other reserves \$	Members' other interests Total \$
Balance at 1 January 2018	10,000,000	2,683,448	12,683,448
Members' remuneration charged as an expense, including employment and retirement benefit costs	-	-	-
Profit for the financial year available for discretionary division among members	-	2,269,899	2,269,899
Members' interests after profit for the year	10,000,000	4,953,347	14,953,347
Introduced by members	3,000,000	-	3,000,000
Drawings	-	-	-
Other movements	-	-	-
Balance at 31 December 2018	<u>13,000,000</u>	<u>4,953,347</u>	<u>17,953,347</u>

	Loans and other debts due to members less any amounts due from members in debtors	DEBT	
		Other amounts \$	TOTAL MEMBERS' INTERESTS Total \$
Amount due to members	243,511	-	-
Amount due from members	-	-	-
Balance at 1 January 2018	243,511	-	12,926,959
Members' remuneration charged as an expense, including employment and retirement benefit costs	953,426	-	953,426
Profit for the financial year available for discretionary division among members	-	-	2,269,899
Members' interests after profit for the year	1,196,937	-	16,150,284
Introduced by members	-	-	3,000,000
Drawings	(538,425)	-	(538,425)
Other movements	1,160,338	-	1,160,338
Amount due to members	1,818,850	-	-
Amount due from members	-	-	-
Balance at 31 December 2018	<u>1,818,850</u>	-	<u>19,772,197</u>

The notes form part of these financial statements

BLUEFIN EUROPE LLP (REGISTERED NUMBER: OC339361)

Cash Flow Statement
for the year ended 31 December 2019

	Notes	2019 \$	2018 \$
Cash flows from operating activities			
Cash generated from operations	1	<u>1,017,974</u>	<u>(2,633,267)</u>
Net cash from operating activities		<u>1,017,974</u>	<u>(2,633,267)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		<u>-</u>	<u>(6,443)</u>
Net cash from investing activities		<u>-</u>	<u>(6,443)</u>
Cash flows from financing activities			
Transactions with members and former members			
Payments to members		<u>(946,658)</u>	<u>(538,425)</u>
Contributions by members		<u>-</u>	<u>3,000,000</u>
Net cash from financing activities		<u>(946,658)</u>	<u>2,461,575</u>
Increase/(decrease) in cash and cash equivalents			
Cash and cash equivalents at beginning of year	2	<u>423,189</u>	<u>601,324</u>
Cash and cash equivalents at end of year	2	<u><u>494,505</u></u>	<u><u>423,189</u></u>

The notes form part of these financial statements

BLUEFIN EUROPE LLP (REGISTERED NUMBER: OC339361)

Notes to the Cash Flow Statement
for the year ended 31 December 2019

1. **Reconciliation of profit for the financial year available for discretionary division among members to cash generated from operations**

	2019	2018
	\$	\$
Profit for the financial year available for discretionary division among members	3,434,216	2,269,899
Members' remuneration charged as an expense	2,448,658	953,426
Depreciation charges	29,734	57,210
Movement in trading balance with member	<u>(129,173)</u>	<u>1,160,339</u>
	5,783,435	4,440,874
Increase in trade and other debtors	(5,689,753)	(5,553,828)
Increase/(decrease) in trade and other creditors	<u>924,292</u>	<u>(1,520,313)</u>
Cash generated from operations	<u><u>1,017,974</u></u>	<u><u>(2,633,267)</u></u>

2. **Cash and cash equivalents**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 December 2019

	31/12/19	1/1/19
	\$	\$
Cash and cash equivalents	<u>494,505</u>	<u>423,189</u>

Year ended 31 December 2018

	31/12/18	1/1/18
	\$	\$
Cash and cash equivalents	<u>423,189</u>	<u>601,324</u>

3. **Analysis of changes in net debt**

	At 1/1/19	Cash flow	Other non-cash changes	At 31/12/19
	\$	\$	\$	\$
Net cash				
Cash at bank	<u>423,189</u>	<u>71,316</u>		<u>494,505</u>
	<u>423,189</u>	<u>71,316</u>		<u>494,505</u>
Net funds (before members' debt)	423,189	71,316	-	494,505
Loans and other debts due to members				
Other amounts due to members	<u>(1,818,850)</u>	<u>1,075,832</u>	<u>(2,448,658)</u>	<u>(3,191,676)</u>
Net debt	<u><u>(1,395,661)</u></u>	<u><u>1,147,148</u></u>	<u><u>(2,448,658)</u></u>	<u><u>(2,697,171)</u></u>

The notes form part of these financial statements

Notes to the Financial Statements - continued
for the year ended 31 December 2019

1. **Statutory information**

Bluefin Europe LLP is registered in England and Wales. The LLP's registered number and registered office address can be found on the General Information page.

The presentation currency of the financial statements is the US Dollar (\$).

Amounts are rounded to the nearest \$.

2. **Statement of compliance**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the requirements of the Statement of Recommended Practice, Accounting by Limited Liability Partnerships.

3. **Accounting policies**

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention and on a going concern basis.

Set out below is a summary of the principal accounting policies, all of which have been applied consistently (except as otherwise stated).

Significant judgements and estimates

In applying the LLP's accounting policies, the members are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The members' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

Critical judgements in applying the LLP's accounting policies

The critical judgement that the members have made in the process of applying the LLP's accounting policies that have the most significant effect on the amounts recognised in the statutory financial statements are discussed below:

(i) Assessing indicators and impairment

In assessing whether there have been any indicators or impairment assets, the members have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience or recoverability. There have been no indicators or impairments identified during the current financial year.

Notes to the Financial Statements - continued
for the year ended 31 December 2019

3. Accounting policies - continued

Significant judgements and estimates - continued

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(ii) Recoverability of receivables

The LLP establishes a provision for receivables that are estimated not to be recoverable. When assessing recoverability the members consider factors such as the aging of the receivables, past experience and recoverability, and the credit profile of individual or groups of customers.

(iii) Determining residual values and useful economic lives of property, plant and equipment

The LLP depreciates tangible assets over their estimated useful lives. The estimation of the useful lives is based on historical performance as well as expectations about future use and therefore requires estimates and assumptions to be applied by management. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product life cycles and maintenance programmes.

Judgement is applied by management when determining the residual values for plant, machinery and equipment. When determining the residual value management aim to assess the amount that the LLP would currently obtain for the disposal of the asset, if it were already of the condition expected at the end of its useful economic life. Where possible this is done with reference to external market prices.

Turnover

Net trading income has been disclosed instead of turnover as this reflects more meaningfully the nature of company's trading activity. Trading income includes the net profit arising from transactions in securities, foreign exchange and other financial instruments, and interest receivable and dividends receivable on trading positions. This is stated after charging related expenses including interest payable on trading positions.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Computer equipment - 33% on cost

Impairment of assets

At each reporting date the LLP reviews the carrying value of its assets to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

The recoverable amount of an asset is the higher of fair value less costs to sell and value in use. Value in use is the present value of the future cash flows expected to be derived from the asset, or cash generating unit. The present value calculation involves estimating the future cash inflows and outflows to be derived from continuing use of the asset, and from its ultimate disposal, applying an appropriate discount rate to those future cash flows.

Where the recoverable amount of an asset is less than the carrying amount, an impairment loss is recognised immediately in profit or loss. An impairment loss recognised for all assets is reversed in a subsequent period if, and only if, the reasons for the impairment loss have ceased to apply. Impairment losses are charged to profit or loss in administration expenses.

Notes to the Financial Statements - continued
for the year ended 31 December 2019

3. Accounting policies - continued

Financial instruments

Financial assets and liabilities are recognised when the LLP becomes party to the contractual provisions of the financial instrument. The LLP holds financial instruments which comprise cash and cash equivalents, trade and other receivables, equity investments derivative financial instruments, trade and other payables, convertible loan notes and loans and borrowings. The LLP has chosen to apply the provisions of Section 11 Basic Financial Instruments and Section 12 Other Financial Instruments in full.

Financial assets and liabilities - classified as basic financial instruments

(i) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held with banks, and other short-term highly liquid investments with original maturities of three months or less.

(ii) Trade and other receivables

Trade and other receivables are initially recognised at the transaction price, including any transaction costs, and subsequently measured at amortised cost including the effective interest method, less any provision for impairment. Amounts that are receivable within one year are measured at the undiscounted amount of the cash expected to be received, net of any impairment.

At the end of each reporting period, the LLP assesses whether there is objective evidence that an receivable amount may be impaired. A provision for impairment is established when there is objective evidence that the LLP will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised immediately in profit or loss.

(iii) Equity investments

Equity investments comprise ordinary shares, publicly traded in active markets for which a reliable fair value can be measured reliably. Equity investments are initially recognised at fair value, which is the transaction price excluding transaction costs and are subsequently measured at fair value through profit or loss.

(iv) Trade and other payables and loans and borrowings

Trade and other payables and loans and borrowings are initially measured at the transaction price, including any transaction costs, and subsequently measured at amortised cost using the effective interest method. Amounts that are payable within one year are measured at the discounted amount of the cash expected to be paid.

(v) Derivative financial instruments

The LLP used derivatives to reduce exposure to foreign exchange risk arising in relation to foreign dominated loans. The LLP does not hold or issue derivative financial instruments for speculative purposes.

Derivative financial instruments are initially recognised at fair value at the date the derivative contract is entered into and are subsequently measured at fair value at each reporting date. The resulting gain or loss is recognised in the income statement. The LLP does not apply hedge accounting in accordance with Section 12.

(vi) Compound financial instruments

The derivative financial instrument is presented as a financial asset or financial liability depending on whether it is in favourable or unfavourable position for the LLP at the reporting date.

Foreign currencies

The Members have concluded that as the firm's operation and management controls rests with its parent company and all financial reporting is conducted in US dollars, the firm's functional currency is US dollars.

Monetary assets and liabilities denominated in foreign currencies are translated into US dollar at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the income statement.

Pension costs and other post-retirement benefits

The LLP operates a defined contribution pension scheme. Contributions payable to the LLP's pension scheme are charged to the income statement in the period to which they relate.

Notes to the Financial Statements - continued
for the year ended 31 December 2019

3. **Accounting policies - continued**

Investments

Current asset investments are stated at market value with the profit from the valuation of the current asset investment being credited to the revaluation reserve. This is a departure from the historical cost accounting rules however, the members believe this gives a true and fair view as a reliable valuation was able to be obtained.

Revenue recognition

Futures and options transactions are recorded on a trade-date basis. Unrealised gains and losses on unsettled transactions and open futures contracts are included in trading income using settlement prices quoted on exchanges upon which the trading instrument trades.

Taxation

As a limited liability partnership, Bluefin Europe LLP is not liable for United Kingdom taxation, its profits being liable to income tax in the hands of the members. Therefore, no provision for taxation is made in the financial statements.

Members' remuneration profit allocation.

Members' remuneration and profit allocation are stipulated in the Partnership Agreement dated 15 March 2017, where the profits of the partnership in respect of any financial year of the Partnership shall be allocated amongst the members in such a manner and in such proportions as shall be determined by the Managing Member in its sole discretion.

Going Concern

These financial statements have been prepared on a going concern basis.

The current economic conditions present increased risks for all businesses. The Members have reviewed and considered relevant information, including the annual budget and future cash flows in making their assessment. In particular, in response to the COVID-19 pandemic, the Members have tested their cash flow analysis to take into account the impact on their business of possible scenarios brought on by the impact of COVID-19, alongside the measures that they can take to mitigate the impact

In response to such conditions, the members have carefully considered these risks including an assessment on uncertainty on future trading projection for a period of at least 12 months from the date of signing the financial statements, and the extent to which they might affect the preparation of the financial statements on a going concern basis.

Based on assessment, the members consider that the LLP maintains an appropriate level of liquidity, sufficient to meet the demands of the business including any capital and servicing obligations and external debt liabilities.

In addition, the LLP's assets are assessed for recoverability on a regular basis, and the members consider that the LLP is not exposed to losses on these assets which would affect their decision to adopt the going concern basis.

The members have a reasonable expectation that the LLP has adequate resources to continue in operational existence for the foreseeable future and that there are no material uncertainties that lead to significant doubts upon the LLP's ability to continue as a going concern. Thus the members have continued to adopt the going concern basis of accounting in preparing these financial statements.

Notes to the Financial Statements - continued
for the year ended 31 December 2019

3. Accounting policies - continued

Equity

Equity instruments are classified in accordance with the substance of contractual agreement. An equity instrument is any contract that evidences a residual interest in the assets of the LLP after deducting all of its liabilities.

Equity instruments issued by the LLP are recorded at the fair value of the cash or other resources received or receivable, net of direct costs of issuing the equity instruments.

Compound financial instruments include convertible loan notes. On issuing the convertible loan notes, the proceeds are allocated between the liability component as the fair value of a similar liability that does not have a conversation feature or similar associated equity component. The residual amount is allocated as the equity component. Transaction costs are allocated between the debt component and the equity component on the basis of their relative fair values. These allocations are not raised in subsequent periods. The liability component is classified as a basic financial instrument and is subsequently measured at amortised cost using the effective interest rate method. The equity component is not subsequently remeasured.

4. Turnover

Net trading income

The net trading income of the limited liability partnership for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

	2019 \$	2018 \$
Gross trading income	12,872,138	9,218,269
Brokerage and commission	(197,366)	(344,398)
Exchange & execution fees	(566,384)	(587,981)
Interest payable	(334,556)	(309,767)
Other direct costs	(92,409)	(88,781)
	<u>11,681,423</u>	<u>7,887,342</u>

5. Employee information

	2019 \$	2018 \$
Wages and salaries	2,547,507	1,755,694
Social security costs	343,856	109,864
Other pension costs	10,540	15,328
	<u>2,901,903</u>	<u>1,880,886</u>

The average number of employees during the year was as follows:

	2019	2018
Administration	<u>7</u>	<u>9</u>

6. Operating profit

The operating profit is stated after charging:

	2019 \$	2018 \$
Depreciation - owned assets	<u>29,734</u>	<u>57,210</u>

BLUEFIN EUROPE LLP (REGISTERED NUMBER: OC339361)

Notes to the Financial Statements - continued
for the year ended 31 December 2019

7.	Auditors' remuneration	2019	2018
		\$	\$
	Fees payable to the LLP's auditors for the audit of the LLP's financial statements	<u>28,261</u>	<u>24,000</u>
	Total audit fees	<u>28,261</u>	<u>24,000</u>
	Taxation compliance services	10,791	8,000
	Other non-audit services	<u>35,402</u>	<u>13,000</u>
	Total non-audit fees	<u>46,193</u>	<u>21,000</u>
	Total fees payable	<u>74,454</u>	<u>45,000</u>
8.	Information in relation to members	2019	2018
		\$	\$
	Members' remuneration charged as an expense	<u>2,448,658</u>	<u>953,077</u>
		2019	2018
		\$	\$
	The amount of profit attributable to the member with the largest entitlement was	<u>1,337,000</u>	<u>513,000</u>
		2019	2018
	Average number of members during the year	<u>3</u>	<u>3</u>
9.	Tangible fixed assets		Computer equipment
			\$
	Cost		
	At 1 January 2019		216,565
	Disposals		<u>(29,323)</u>
	At 31 December 2019		<u>187,242</u>
	Depreciation		
	At 1 January 2019		183,609
	Charge for year		29,734
	Eliminated on disposal		<u>(29,323)</u>
	At 31 December 2019		<u>184,020</u>
	Net book value		
	At 31 December 2019		<u>3,222</u>
	At 31 December 2018		<u>32,956</u>

BLUEFIN EUROPE LLP (REGISTERED NUMBER: OC339361)

Notes to the Financial Statements - continued
for the year ended 31 December 2019

10.	Debtors: amounts falling due within one year	2019	2018
		\$	\$
	Amounts receivable from clearing firms	26,184,554	20,507,446
	Other debtors	57,008	49,456
	Prepayments	<u>13,021</u>	<u>7,928</u>
		<u>26,254,583</u>	<u>20,564,830</u>
11.	Creditors: amounts falling due within one year	2019	2018
		\$	\$
	Amounts owed to group undertakings	350,000	634,381
	Accrued expenses	<u>1,823,071</u>	<u>614,397</u>
		<u>2,173,071</u>	<u>1,248,778</u>
12.	Leasing agreements		
	Minimum lease payments under non-cancellable operating leases fall due as follows:		
		2019	2018
		\$	\$
	Within one year	87,120	251,460
	Between one and five years	<u>-</u>	<u>83,820</u>
		<u>87,120</u>	<u>335,280</u>

Amounts above represent minimum payments on agreements entered into at the balance sheet date.

After the balance sheet date, but prior to the time of signing these financial statements, the LLP entered into an agreement for which minimum payments will be \$275,000 over the period 1 May 2020 and 30 April 2021.

13. **Secured debts**

A security deed dated 6 September 2010 is in place between the LLP and Abn Amro Clearing Hong Kong Limited ("the chargee").

All monies due or to become due from the LLP to the chargee on any account whatsoever under the terms of the aforementioned security deed are secured against all property and assets of the LLP, including current accounts, investments and financial products.

BLUEFIN EUROPE LLP (REGISTERED NUMBER: OC339361)

Notes to the Financial Statements - continued
for the year ended 31 December 2019

14. **Financial instruments**

The LLP has the following financial instruments:

	2019	2018
	\$	\$
Debtors		
Financial assets that are debt instruments measured at amortised cost:		
- Cash at bank and in hand	494,505	423,189
- Amounts receivable from clearing firms	26,184,554	20,507,446
- Other debtors	<u>57,008</u>	<u>49,456</u>
	<u>26,736,067</u>	<u>20,980,091</u>

	2019	2018
	\$	\$
Creditors		
Financial liabilities measured at amortised cost:		
- Accruals	1,823,071	614,397
- Amounts owed to group undertakings	350,000	634,381
- Amounts owed to members	<u>3,191,676</u>	<u>1,818,850</u>
	<u>5,364,747</u>	<u>3,067,628</u>

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

	2019	2018
	\$	\$
Amounts owed to members in respect of profits	2,117,000	615,000
Other	<u>1,074,676</u>	<u>1,203,850</u>
	<u>3,191,676</u>	<u>1,818,850</u>
Falling due within one year	<u>3,191,676</u>	<u>1,818,850</u>

'Other' relates to trading balances with the parent.

16. **Reserves**

	Other reserves
	\$
At 1 January 2019	4,953,347
Unallocated profit	<u>3,434,216</u>
At 31 December 2019	<u>8,387,563</u>

17. **Control**

The ultimate controlling party is Bluefin Holdings II, LP, a designated partner registered in Delaware, USA. Bluefin Holdings II, LP has no controlling party.

BLUEFIN EUROPE LLP (REGISTERED NUMBER: OC339361)

**Notes to the Financial Statements - continued
for the year ended 31 December 2019**

18. Related party disclosures

During the year the LLP had the following related party transactions with group companies as follows:-

- Administrative fees paid to Bluefin Hong Kong amounting to \$1,190,000 (2018:\$1,193,256), and at the year-end the LLP owed Bluefin Hong Kong \$350,000 (2018: \$110,193).

The year end balance is unsecured, interest free and repayable on demand.

Other than the designated members, there are no individuals considered as key management.