

REGISTERED NUMBER: OC364534

Blue Water Energy LLP
Financial Statements
31 March 2018



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 LLP
Chartered Accountant & Statutory Auditor
7 More London Riverside
London
SE1 2RT

Bankers

Barclays Bank PLC
1 Churchill Place
London
E14 5HP

Blue Water Energy LLP

Members' Report

Year ended 31 March 2018

The members present their report and the audited financial statements of Blue Water Energy LLP ("the LLP") for the year ended 31 March 2018.

Principal activities and business review

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

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

The results for the financial year are shown in the Statement of Comprehensive Income on page 6. The LLP's balance sheet as detailed on page 7 shows a satisfactory position with Members' total interests amounting to £850,709 (2017: £669,218).

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

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

The LLP entered into an Advisory Services Agreement on the 7 September 2012 with BWE GP Limited who is the general partner to the Fund I. The LLP also entered into an Advisory Services Agreement on the 31 August 2016 with BWE GP II Limited who is the general partner to Fund II. The LLP will be the sole provider of investment advisory service 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 £4,624,822 (2017: £3,974,584)

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 £117,000 (2017: £100,000).

Blue Water Energy LLP
Members' Report (continued)
Year ended 31 March 2018

Statement of members' responsibilities

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

Company law as applied to limited liability partnerships by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 requires the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law as applied to limited liability partnerships the members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the LLP and the profit or loss of the LLP for that period.

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

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

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

Disclosure of information to auditors

In so far as the members are aware:

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

Independent auditors

PricewaterhouseCoopers 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 10 July 2018 and signed on behalf of the members by:


Jerker Johansson
Designated Member

Blue Water Energy LLP

Independent Auditor's Report to the Members of Blue Water Energy LLP

Year ended 31 March 2018

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 limited liability partnership's affairs as at 31 March 2018 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

We have audited the financial statements, included within the Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 March 2018; the statement of comprehensive income, the statement of cash flows, the reconciliation of members' interests for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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

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

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

Reporting on other information

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

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

Blue Water Energy LLP

Independent Auditor's Report to the Members of Blue Water Energy LLP (continued)

Year ended 31 March 2018

Responsibilities for the financial statements and the audit

Responsibilities of the members for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of this report

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

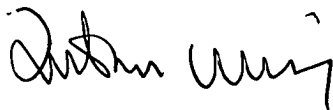
Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.



Jonathan Wiseman (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
10 July 2018

Blue Water Energy LLP
Statement of Comprehensive Income
Year ended 31 March 2018

	Note	2018 £	2017 £
Turnover	4	9,950,149	8,155,184
Administrative expenses		(5,377,357)	(4,255,494)
Operating profit	5	4,572,792	3,899,690
Other operating income	7	47,808	74,871
Other interest receivable and similar income	8	4,222	23
Profit for the financial year before members' remuneration and profit shares available for discretionary division among members		4,624,822	3,974,584
Other comprehensive income			
Other comprehensive income for the year		-	-
Total comprehensive income for the year		4,624,822	3,974,584

All the activities of the LLP are from continuing operations.

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

Blue Water Energy LLP

Registered number: OC364534

Balance Sheet**As at 31 March 2018**

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	10	167,970	339,160
Current assets			
Debtors	11	2,476,709	2,199,276
Cash at bank and in hand		822,951	1,074,047
		<u>3,299,660</u>	<u>3,273,323</u>
Creditors: amounts falling due within one year	12	<u>(1,935,802)</u>	<u>(2,262,146)</u>
Net current assets		<u>1,363,858</u>	<u>1,011,177</u>
Total assets less current liabilities		<u>1,531,828</u>	<u>1,350,337</u>
Creditors: amounts falling due after more than one year	13	<u>(681,119)</u>	<u>(681,119)</u>
Net assets		<u>850,709</u>	<u>669,218</u>
Represented by:			
Loans and other debts due to members			
Other amounts	16	787,559	629,396
Members' other interests			
Members' capital classified as equity		63,150	62,550
Other reserves		-	(22,728)
		<u>850,709</u>	<u>669,218</u>
Total members' interests			
Loans and other debts due to members		787,559	629,396
Members' other interests		63,150	39,822
		<u>850,709</u>	<u>669,218</u>

These financial statements were approved by the members and authorised for issue on 10 July 2018, and are signed on their behalf by:



Jerker Johansson
Designated Member

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

Blue Water Energy LLP
Reconciliation of Members' Interests
Year ended 31 March 2018

	Members' other interests			Loans and other debts due to members less any amounts due from members in debtors		Total members' interests
	Members' capital (classified as equity)	Other reserves	Total	Other amounts	Total	Total
	£	£	£	£	£	£
Amounts due to members	-	-	-	629,396	629,396	-
Amounts due from members	-	-	-	-	-	-
Balance at 1 April 2017	62,550	(22,728)	39,822	629,396	629,396	669,218
Profit for the financial year available for discretionary division among members	-	4,624,822	4,624,822	-	-	4,624,822
Members' interests after profit for the year	62,550	4,602,094	4,664,644	629,396	629,396	5,294,040
Other division of profits	-	(4,602,094)	(4,602,094)	4,602,094	4,602,094	-
Introduced by members	1,750	-	1,750	-	-	1,750
Repayments to members	(1,150)	-	(1,150)	-	-	(1,150)
Drawings	-	-	-	(4,443,931)	(4,443,931)	(4,443,931)
Amounts due to members	-	-	-	787,559	787,559	-
Amounts due from members	-	-	-	-	-	-
Balance at 31 March 2018	63,150	-	63,150	787,559	787,559	850,709

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

Blue Water Energy LLP
Reconciliation of Members' Interests (continued)
Year ended 31 March 2018

	Members' other interests			Loans and other debts due to members less any amounts due from members in debtors		Total members' interests
	Members' capital (classified as equity)	Other reserves	Total	Other amounts	Total	Total
	£	£	£	£	£	£
Amounts due to members	-	-	-	543,384	543,384	-
Amounts due from members	-	-	-	-	-	-
Balance at 1 April 2016	62,550	19,028	81,578	543,384	543,384	624,962
Profit for the financial year available for discretionary division among members	-	3,974,584	3,974,584	-	-	3,974,584
Members' interests after profit for the year	62,550	3,993,612	4,056,162	543,384	543,384	4,599,546
Other division of profits	-	(3,974,584)	(3,974,584)	3,974,584	3,974,584	-
Drawings	-	-	-	(3,921,624)	(3,921,624)	(3,921,624)
Other movements	-	(41,756)	(41,756)	33,052	33,052	(8,704)
Amounts due to members	-	-	-	629,396	629,396	-
Amounts due from members	-	-	-	-	-	-
Balance at 31 March 2017	62,550	(22,728)	39,822	629,396	629,396	669,218

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

Blue Water Energy LLP

Statement of Cash Flows

Year ended 31 March 2018

	Note	2018 £	2017 £
Cash generated from operations	17	4,633,426	4,989,126
Interest received		4,222	23
Net cash guaranteed from operating activities		4,637,648	4,989,149
Cash flows from investing activities			
Payments to acquire tangible fixed assets		(49,931)	(20,820)
Net cash used in investing activities		(49,931)	(20,820)
Cash flows from financing activities			
Contribution of members' capital by members		1,750	-
Repayments of members' capital to members		(1,150)	-
Payments to members		(4,443,931)	(3,921,624)
Repayment of bank loans		(791)	(5,072)
Repayment of loans from group undertakings		(393,861)	(690,027)
Net cash used in financing activities		(4,837,983)	(4,616,723)
Net (decrease)/increase in cash and cash equivalents		(250,266)	351,606
Cash and cash equivalents at beginning of year		1,074,047	723,475
Exchange losses on cash and cash equivalents		(830)	(1,034)
Cash and cash equivalents at end of year		822,951	1,074,047

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

Blue Water Energy LLP
Notes to the Financial Statements
Year ended 31 March 2018

1. General information

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

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

2. Accounting policies

(a) Basis of preparation

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

(b) Going concern

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

(c) Foreign currency

i) Functional and presentation currency

The LLP's functional and presentation currency is GBP.

ii) Transactions and balances

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

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

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

(d) Revenue

Revenue from the provision of investment advisory services is recognised when costs for the services are incurred and are re-invoiced on a cost plus basis. Revenue represents amounts received for the rendering of services and is stated net of discounts and value added tax.

Blue Water Energy LLP

Notes to the Financial Statements (continued)

Year ended 31 March 2018

2. Accounting policies (continued)

(e) Other operating income

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

(f) Employee benefits

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

i) Short term benefits

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

(g) Taxation

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

(h) Tangible fixed assets and depreciation

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

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

Short Leasehold Improvements	- Over term of the lease
Office Equipment	- 25% 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 income statement and included in 'Other operating (losses)/gains'.

(i) Operating lease agreements

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

(j) Cash and cash equivalents

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

Blue Water Energy LLP
Notes to the Financial Statements (continued)
Year ended 31 March 2018

2. Accounting policies (continued)

(k) Financial instruments

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

i) Financial assets

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

Such assets are subsequently carried at amortised cost using the effective interest method.

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

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 income statement.

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

ii) Financial liabilities

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

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

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

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires. The LLP does not hold or issue derivative financial instruments.

Blue Water Energy LLP

Notes to the Financial Statements (continued)

Year ended 31 March 2018

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.

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of assets. The useful economic lives and residual values are assessed annually. They are amended when necessary to reflect current estimates, based on technological advancements, future investments, economic utilisation and the physical condition of the assets. See note 10 for the net book value of tangible fixed assets and note 2. (h) for the useful economic lives for each class of asset.

Recoverability of work-in-progress

Work in progress is valued at cost, which includes outlays incurred on behalf of portfolio companies and an appropriate proportion of directly attributable costs and overheads on incomplete projects. Provision is made for irrecoverable costs where appropriate.

4. Turnover

Turnover arises from:

	2018	2017
	£	£
Rendering of services	<u>9,950,149</u>	<u>8,155,184</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:

	2018	2017
	£	£
Depreciation of tangible assets	219,935	224,105
Foreign exchange differences	17,698	34,546
<i>Fees payable for the audit of the financial statements</i>		
- Audit services	25,634	24,471
- Non-audit services	5,000	-
Operating lease costs	416,249	416,249
Exchange gains/(losses) on cash and cash equivalents	<u>830</u>	<u>1,034</u>

Blue Water Energy LLP

Notes to the Financial Statements (continued)

Year ended 31 March 2018

6. Employee information

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

	2018 No.	2017 No.
Administrative	10	7
Management	6	6
	<u>16</u>	<u>13</u>

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

	2018 £	2017 £
Wages and salaries	1,644,167	1,643,190
Social security costs	235,061	234,300
Other benefits and pension costs	195,799	110,465
	<u>2,075,027</u>	<u>1,987,955</u>

7. Other operating income

	2018 £	2017 £
Rental income	<u>47,808</u>	<u>74,871</u>

8. Other interest receivable and similar income

	2018 £	2017 £
Interest receivable	<u>4,222</u>	<u>23</u>

9. Information in relation to members

	2018 No.	2017 No.
Average number of members	<u>11</u>	<u>11</u>
	<u>2018</u>	<u>2017</u>
	<u>£</u>	<u>£</u>
Highest paid members remuneration	<u>1,062,520</u>	<u>867,778</u>

Blue Water Energy LLP

Notes to the Financial Statements (continued)

Year ended 31 March 2018

10. Tangible assets

	Short leasehold improvements £	Office equipment £	Fixtures and fittings £	Total £
Cost				
At 1 April 2017	577,496	266,252	280,807	1,124,555
Additions	-	27,704	22,227	49,931
Disposals	(48,670)	(32,930)	-	(81,600)
At 31 March 2018	528,826	261,026	303,034	1,092,886
Accumulated depreciation				
At 1 April 2017	379,946	188,054	217,395	785,395
Charge for the year	105,793	53,558	60,584	219,935
Depreciation on disposals	(48,670)	(31,744)	-	(80,414)
At 31 March 2018	437,069	209,868	277,979	924,916
NBV				
At 31 March 2018	91,757	51,158	25,055	167,970
At 31 March 2017	197,550	78,198	63,412	339,160

11. Debtors

	2018 £	2017 £
Trade debtors	1,176,207	519,292
Prepayments and accrued income	374,793	576,710
Rent deposit	685,334	684,609
VAT receivable	73,107	76,186
Other debtors	167,268	342,479
	2,476,709	2,199,276

Amounts included within trade debtors of £nil (2017: £497,987) relate to amounts owed by BWE GP Limited.

Amounts included within trade debtors of £946,657 (2017: £nil) relate to amounts owed by BWE GP II Limited.

Amounts included within other debtors of £144,636 (2017: £334,434) relates to work in progress which can be recharged to the funds 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 2018 no provision has been made (2017: £nil).

Blue Water Energy LLP

Notes to the Financial Statements (continued)

Year ended 31 March 2018

12. Creditors: amounts falling due within one year

	2018	2017
	£	£
Bank loans and overdrafts	-	791
Payments received on account	647,914	364,779
Trade creditors	124,443	295,484
Amounts owed to group undertakings	254,475	648,336
Accruals and deferred income	845,610	946,005
Other creditors	63,360	6,751
	<u>1,935,802</u>	<u>2,262,146</u>

Amounts included within payments received on account of £647,914 (2017: £nil) relate to amounts owed to BWE GP Limited.

Amounts included within payments received on account of £nil (2017: £364,779) relate to amounts owed to BWE GP II Limited.

Amounts included within other creditors of £9,083 (2017: £6,751) related to amounts due to the pension fund administered by Legal & General.

13. Creditors: amounts falling due after more than one year

	2018	2017
	£	£
Amounts owed to group undertakings	<u>681,119</u>	<u>681,119</u>

Amounts owed to group undertakings is due to BWE Holdings Limited and will be repaid once the rent deposit guarantee on 17 Connaught Place expires in August 2018.

The liabilities of the LLP are not secured against any assets of the LLP.

14. Commitments under operating leases

At 31 March 2018 the LLP had future minimum lease payments under non-cancellable operating leases as set out below.

	2018	2017
	£	£
Operating leases which expire:		
Not later than 1 year	308,880	416,249
Later than 1 year and not later than 5 years	-	254,881
	<u>308,880</u>	<u>671,130</u>

Blue Water Energy LLP

Notes to the Financial Statements (continued)

Year ended 31 March 2018

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 Partners L.P., BWE General Partners II L.P., BWE GP Limited and BWE GP II Limited during the year. Transactions entered into and trading balances outstanding at the year end, are as follows:

	2018	2017
	£	£
Advisory fees to BWE GP Limited	3,420,370	5,877,003
Advisory fees to BWE GP II Limited	6,529,780	2,278,181
Amounts owed to group undertakings < 1 year	254,475	648,336
Amounts owed to group undertakings > 1 year	681,119	681,119
Key management personnel compensation	4,624,822	3,927,757

Amounts owed to group undertakings are unsecured and incur no interest. They will be repaid from the future profits of the LLP.

Amount owed to group undertakings represents £935,594 (2017: £1,329,455) which relates to an amount due to BWE Holdings Limited £681,119 (2017: £681,119) for the rent deposit of 17 Connaught Place and BWE General Partner L.P. £109,839 (2017: £313,903) for the fit out of 17 Connaught Place and BWE GP Limited £98,601 (2017: £334,433) for costs incurred on behalf of Fund I and BWE GP II Limited £46,035 (2017: £nil) for costs incurred on behalf of Fund II.

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, is under the common control of all the individual designated members of the LLP.

BWE General Partner II L.P.

BWE General Partner II L.P., a limited partnership incorporated in Guernsey, is under the common control of all the individual designated members of the LLP.

BWE GP Limited

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

BWE GP II Limited

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

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 £4,624,822 (2017: £3,927,757).

Blue Water Energy LLP

Notes to the Financial Statements (continued)

Year ended 31 March 2018

16. Loans and other debts due to members

	2018	2017
	£	£
Amounts owed to members in respect of profits	<u>787,559</u>	<u>629,396</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

	2018	2017
	£	£
Profit for the financial year	4,624,822	3,974,584
<i>Adjustments for:</i>		
Depreciation of tangible assets	219,935	224,105
Other interest receivable and similar income	(4,222)	(23)
Other operating cash flow adjustment	-	(8,704)
Exchange losses on cash and cash equivalents	830	1,034
Profit on disposal of fixed assets	1,186	-
<i>Movement in:</i>		
Trade and other debtors	(277,433)	521,527
Trade and other creditors	68,308	276,603
	<u>4,633,426</u>	<u>4,989,126</u>

18. Employee benefits

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £45,432 (2017: £15,008).

19. Ultimate controlling party

The LLP does not have a parent undertaking. The immediate controlling party is BWE Holdings Limited, a company incorporated in Guernsey. The ultimate controlling party of the group is considered to be the designated members, Mr. J Johansson, Mr. G Sword and Mr. T Sikorski.