Low Carbon Workplace Limited

Financial statements for the period from incorporation on 30 November 2009 to 31 March 2011
together with Directors' and Auditors' reports

Registered number: 07090543

Registered office	6th floor, 5 New Street Square, London, EC4A 3BF
Directors:	Michael Rea Andrew Wordsworth - Resigned on 31 May 2011 Susannah McClintock - Resigned on 31 May 2011 Katharine Deas John Bywater
Solicitors.	Burges Salmon, Narrow Quay House, Narrow Quay, Bristol BS1 4AH
Bankers:	Royal Bank of Scotland plc, 119/121 Victoria Street, London SW1E 6RA
Auditors:	Ernst & Young LLP, 1 More London Place, London SE1 2AF

Directors' report

The Directors present their annual report on the affairs of the company together with the financial statements and Auditors' report for the period ended 31 March 2011 The financial statements have been prepared on a going concern basis. This Directors' report has been prepared in accordance with section 415 of the Companies Act 2006 and Schedule 5 of the Small Companies and Groups (Accounts and Directors' Report) Regulations 2008.

The registered number of the company is 07090543.

Principal activities

The company provides advisory services on the low carbon aspects of building refurbishment It has a contract with the Threadneedle Low-Carbon Workplace Trust ("LCW Fund") which buys commercial office real estate assets, refurbishes them to high comfort low carbon specification and lets them to occupiers interested in attaining the Protocol, a process enabled exclusively by the company.

The company was incorporated on 30 November 2009. The company is wholly-owned by Carbon Trust Enterprises Limited which holds 100% of the equity.

Business review and future prospects

The company has made good progress in business planning and completing its first year's development targets and has now recruited a full team of staff to deliver services to its customers. The company has developed proprietary know-how in low carbon building development, operation and occupation services. The service offering has been codified and processes and procedures developed for each stage of the advisory service Delivery of services has already commenced to the LCW Fund and occupiers allowing for testing and refinement of the advisory toolkit.

The company is remunerated for its services by the LCW Fund which pays fees based on a percentage of the construction costs, the gross asset value and the uplift in value post refurbishment. The company is funded by a £1 8m loan facility from the general partners of the LCW Fund.

During the year, the LCW Fund acquired four buildings for £19m (including costs) all of which commenced the design process which is a key revenue driver for the company Two pre-lettings were also agreed which demonstrates proof of concept for Low Carbon Workplaces Invoicing for fees associated with these projects will commence in 2011-2012 The LCW Fund is optimistic that it will raise an additional £50m of equity in 2011-2012.

The company relies on the LCW Fund to raise equity that can be deployed in the purchase and refurbishment of commercial office buildings There is a financial risk to the company if sufficient equity is not raised in a timely manner The company relies on the Carbon Trust to develop the Protocol such that it is relevant to the low carbon occupation of UK office buildings. The development of the Protocol has been based on very sparse available datasets and there is a certification risk that the Protocol will not be applicable in practice There is a marketing risk that the Protocol will not prove attractive to occupiers.

These risks are being mitigated through careful execution of the business strategy. The company is working extremely closely with the LCW Fund to support its fundraising efforts in addition to pursuing complementary revenue streams from non-Fund occupiers. The company is also working closely with the Carbon Trust to offer solutions to the LCW building certification risk by testing the Protocol in actual projects. The company has undertaken an extensive marketing plan to ensure that the concepts enshrined in the Protocol (measuring carbon per person in offices) is widely accepted in the marketplace. The concept has received some validation courtesy of the pre-lets in two of the LCW Fund buildings.

Based on the £1.8m loan facilities from the general partners of the LCW Fund, the Directors are confident that sufficient funds will be available to the business to meet all liabilities for twelve months from the date of this report and so they have prepared the accounts on a going concern basis.

Results and dividends

The audited financial statements for the period from incorporation on 30 November 2009 to 31 March 2011 are set out on pages 10 to 17 The loss for the period after taxation was £630,824 as set out in the profit and loss account on page 10. No dividends were paid or are proposed in respect of the period

Directors

The Directors of the company during the period were.

Name	Position	Date of appointment	Primary positions held elsewhere as at 31 March 2011
Michael Anthony Rea	Director	01 March 2010	Chief Operating Officer, the Carbon Trust
Andrew Wordsworth	Director	01 March 2010 (Resigned on 31 May 2011)	None
Susannah McClintock	Director	01 March 2010 (Resigned on 31 May 2011)	None
Katharine Deas	Managing Director	16 February 2011	None
John Bywater	Director	27 September 2010	None
Richard Henry Giles Beavan	Director	30 November 2009 (Resigned on 1 March 2010)	None
Russell Tame	Director	1 March 2010 (Resigned on 22 August 2010)	None

Directors' responsibilities

United Kingdom company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period

In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent,
- state whether applicable United Kingdom accounting standards have been followed; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006 They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

Auditors

So far as each person who was a Director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware Having made enquiries of fellow Directors and the group's auditor, each Director has taken all the steps that he/she is obliged to take as a Director in order to made himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Directors' report

The Directors of the company propose that Ernst & Young LLP be appointed as auditors by resolution of the shareholders.

By order of the Board,

Claire Williams

Claire Williams
Company Secretary
13 July 2011

6th floor
5 New Street Square
London EC4A 3BF

Independent Auditors' report

Independent Auditors' report to the shareholders of Low Carbon Workplace Limited

We have audited the financial statements of Low Carbon Workplace Limited for the period from incorporation on 30 November 2009 to 31 March 2011 which comprise the profit and loss account, the balance sheet, and the related notes 1 to 16. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out in the Directors' Report, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2011 and of its loss for the period 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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

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 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
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.

Ernst & Young LLP

Richard Wilson (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
11 July 2011

Profit and loss account
For the period from incorporation on 30 November 2009 to 31 March 2011

	Notes	Period to 31 March 2011 £
Expenditure		
Development Expenditure	2	(257,400)
Management and Administrative expenses	3	(446,479)
Operating loss		(703,879)
Interest receivable		98
Interest payable and similar charges	5	(12,940)
Loss on ordinary activities before taxation		(716,721)
Tax on loss on ordinary activities	6	85,897
Retained loss for the financial period	12	**(630,824)**

There were no recognised gains or losses other than the loss for the period All results relate to continuing operations

The accompanying notes are an integral part of this profit and loss account

Balance sheet
As at 31 March 2011

	Notes	As at 31 March 2011 £
Unpaid share capital	11	1
Non current assets		
Tangible fixed assets	7	6,275
		6,276
Current assets		
Debtors	8	113,226
Cash at bank and in hand		132,875
		246,101
Creditors: Amounts falling due within one year	9	(40,267)
Net current assets		205,834
Creditors: Amounts falling due after one year	10	(842,933)
Net liabilities		**(630,823)**
Called up share capital	11	1
Profit and loss account	12	(630,824)
Shareholders' deficits	13	**(630,823)**

Signed on behalf of the Board

KATHARINE DEAS

Director

13 July 2011

Director

Michael Ree

The accompanying notes are an integral part of this balance sheet

Notes to the financial statements

1 Accounting policies

The financial statements have been prepared under the historical cost convention and in accordance with United Kingdom law and accounting standards.

Significant accounting policies, all of which have been applied consistently throughout the period, are as follows.

a) Corporation tax

UK corporation tax is provided at amounts expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

b) Deferred tax

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date when, in the opinion of the Directors, there is a reasonable probability of a liability arising in the foreseeable future. Deferred taxation is measured on a non-discounted basis, at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date Deferred tax assets are regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

c) Tangible fixed assets

Tangible fixed assets are shown at cost less depreciation

Depreciation is provided as follows:
Fixtures and fittings - straight line basis over five years
Office equipment and computers - straight line basis over three years
Plant & machinery - straight line basis over four years

d) Cash flow statement

The company has not prepared a cash flow statement as it is exempt from the requirement to do so under Financial Reporting Standard No.1, being a 100% owned subsidiary where group financial statements are publicly available.

2 Development expenditure

The development expenditure consists of all costs directly incurred in delivering business activities.

Notes to the financial statements

3 Management and Administrative expenditure

The management and administration expenditure consists of other overhead costs incurred by the company which include

	Period to 31 March 2011
	£
Fees payable to the company's auditors for audit services	2,575
Fees payable to the company's auditors for non-audit services	1,700
	4,275

The company's incidental operating expenses for the non-audit services payable to the company's auditors of £1,700 are borne by the Carbon Trust.

4 Staff costs and Director's remuneration

The aggregate remuneration of staff was.

	Period to 31 March 2011
	£
Wages and salaries	289,798
Social security costs	28,965
	318,763

The average monthly number of employees for the period ended 31 March 2011 was 4 The number of employees as at 31 March 2011 was 6

A management fee charge of £7,800 in respect of administration costs has been made by Carbon Trust Enterprises Limited, the company's holding company, which includes the Director's remuneration which is not possible to identify separately

5 Interest payable and similar charges

	Period to 31 March 2011
	£
Finance charge on intercompany loan	12,933
Bank charges	7
	12,940

6 Tax on loss on ordinary activities

(a) Analysis of corporation tax charge for the period

	Period to 31 March 2011 £
Current tax:	
Group relief receivable	(85,897)
Total income tax credit	(85,897)

(b) Factors affecting corporation tax for the period

The difference between the total current corporation tax noted above and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax is as follows:

	Period to 31 March 2011 £
Loss on ordinary activities before taxation	(716,721)
Loss on ordinary activities multiplied by the average UK corporation tax company rate of 28%	(200,682)
Net effects of.	
Disallowed expenditure	2,690
Tax losses carried forward	112,095
Total income tax credit	(85,897)

There is an unrecognised deferred tax asset of £104,088 as at 31 March 2011 in respect of losses carried forward which are re-valued to the future corporation tax rate of 26%. This deferred tax asset has not been recognised on the basis that there is insufficient evidence of taxable profits arising in the future against which it can be recovered In line with Group policy, a tax asset is recognised where losses are surrendered for group relief to other group companies, and the losses are settled at the applicable tax rate.

Notes to the financial statements

7 Tangible fixed assets

	Office equipment and computers	Total
	£	£
Cost		
Additions	7,395	7,395
At 31 March 2011	7,395	7,395
Depreciation		
Charge for the year	(1,120)	(1,120)
At 31 March 2011	(1,120)	(1,120)
Net book value		
At 31 March 2011	6,275	6,275

8 Debtors

	As at 31 March 2011
	£
Prepayments	8,226
Group relief receivable	85,897
VAT receivable	19,103
	113,226

9 Creditors: Amounts falling due within one year

	As at 31 March 2011
	£
Trade creditors	200
Accruals	40,067
	40,267

10 Creditors: Amounts falling due after one year

	As at 31 March 2011 £
Loan payable and accrued interest	712,933
Amounts owed to group undertakings	130,000
	842,933

The above loan facility of £700,000 was obtained during 2010-11 from Sackville LCW (GP) Limited to fund the company's initial startup and working capital. The company has a £1 8m loan facility with Sackville LCW (GP) and accrued interest is repayable on 31 March 2015

11 Called up share capital

	As at 31 March 2011 £
Authorised	
1 ordinary shares of £1 each	1
Authorised, issued and paid	
1 ordinary shares of £1 each	1

12 Reserves

	Profit and loss account £	Total £
At incorporation on 30 November 2009	-	-
Loss for the period	(630,824)	(630,824)
At 31 March 2011	(630,824)	(630,824)

Notes to the financial statements

13 Reconciliation of movement in shareholders' deficits

	2011
	£
Shareholders' funds at incorporation on 30 November 2009	-
Loss for the period	(630,824)
Shares issued during the period	1
Shareholders' deficits at 31 March 2011	(630,823)

14 Controlling party

The company's ultimate parent undertaking, ultimate controlling party and parent of the smallest and largest group into which the company's results are consolidated is the Carbon Trust, which is a company limited by guarantee and incorporated in England and Wales The company's immediate parent is Carbon Trust Enterprises Limited Its financial statements are available from the company's registered office at 6th floor, 5 New Street Square, London EC4A 3BF.

16 Related parties

The Low Carbon Workplace Limited is exempt from disclosing transactions with other companies within the group headed up by the Carbon Trust under Financial Reporting Standard No 8 due to its 100% ownership and the availability of consolidated financial statements from the registered office of the Carbon Trust.

During the year, the company paid £7,800 in Service Level Agreement Fees to Carbon Trust Enterprises Limited At 31 March 2011, the outstanding balance due to Carbon Trust Enterprises Limited was £ Nil.