Low Carbon Workplace Limited

Financial statements for the year ended 31 March 2012
together with Directors' and Auditors' reports

Registered number: 07090543

Registered office	4th Floor, Dorset House, 27-45 Stamford Street, London, SE1 9NT
Directors.	Michael Rea- Appointed on 1 March 2010 Katharine Deas- Appointed on 16 February 2011 John Bywater- Appointed on 27 September 2010 Gina V Hall - Appointed on 20 June 2011 Andrew Wordsworth - Appointed on 5 March 2010, Resigned on 31 May 2011 Susannah McClintock - Appointed on 5 March 2010, Resigned on 31 May 2011
Solicitors:	Burges Salmon LLP, One Glass Wharf, Bristol B52 0ZX
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 year ended 31 March 2012 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.

Principal activities

The company provides advisory services on the low carbon aspects of building refurbishment. It has a contract with the Low Carbon Workplace LP ("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 LCW Protocol, a process enabled exclusively by the company

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 refining its role as carbon advisor to the LCW Fund 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. At the end of the year, the LCW Fund launched its first "LCW Ready" property, and the company is actively engaging with occupiers.

The company is remunerated for its services by the LCW Fund which pays fees based on a percentage of the construction costs, the net 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

In 2010-11 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 commenced in 2011-2012 In December 2011 the LCW Fund completed its first third-party fund-raising, bringing an additional £35m of equity into the LCW Fund.

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 LCW Protocol such that it is relevant to the low carbon occupation of UK office buildings There is a marketing risk that the LCW 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. The company is also working closely with the Carbon Trust to offer solutions to the LCW building certification risk by testing the LCW Protocol in actual projects The concept has received some validation as a result of the pre-lets in two of the LCW Fund buildings

The company underwent a restructuring at the end of the year to reduce costs. This in combination with the £1.8m loan facility from the general partners of the LCW Fund gives Directors confidence 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.

Key Performance Indicators (KPIs)

The Companies Act 2006 requires Directors to disclose the Company's Key Performance Indicators (KPIs). KPIs are set and measured at the Carbon Trust Group level by the management of the ultimate parent company, the Carbon Trust. As a result the Directors have taken the decision not to disclose KPIs in individual subsidiary accounts The financial statements of the Carbon Trust Group outline the KPIs for the Group

Results and dividends

The audited financial statements for the year ended 31 March 2012 are set out on pages 10 to 18. The loss for the period after taxation was £400,180 (2011: £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 (2011 Nil)

Directors

The Directors of the company during the period were

Name	Position	Date of appointment (resignation)	Primary positions held elsewhere as at 31 March 2011
Michael Rea	Director	01 March 2010	Chief Operating Officer and Director, Carbon Trust. Director, Low Carbon Workplace Limited, Director, Carbon Trust Investments Limited; Director, Carbon Trust Enterprises Limited; Director, Carbon Trust Certification Limited; Director, Carbon Trust Advisory Services Limited
John Bywater	Director	27 September 2010	
Katharine Deas	Managing Director	16 February 2011	
Gina V Hall	Director	20 June 2011	Director, Carbon Trust Investments Limited; Director, Carbon Trust Fund Management Holdings Limited, Director, Partnerships for Renewables Limited
Andrew Wordsworth	Director	5 March 2010 (resigned 31 May 2011)	
Susannah McClintock	Director	5 March 2010 (resigned 31 May 2011)	

Directors' responsibilities statement

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.

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
Company Secretary
16 July 2012

4th Floor
Dorset House
27-45 Stamford Street
London SE1 9NT

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

We have audited the financial statements of Low Carbon Workplace Limited for the year ended 31 March 2012 which comprise the Profit and Loss account, the Balance Sheet, and the related notes 1 to 14 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 on pages 6-7, 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. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2012 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 matters 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

Matthew Seal (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

16 July 2012

Profit and loss account
For the year ended 31 March 2012

	Notes	Year to 31 March 2012 £	Year to 31 March 2011 £
Turnover		41,763	-
Cost of Sales		(156,216)	-
Gross Loss		(114,453)	-
Development expenditure		-	(257,400)
Management and Administrative expenses	2	(395,394)	(446,479)
Operating loss		(509,847)	(703,879)
Interest receivable		67	98
Interest payable and similar charges	4	(27,824)	(12,940)
Loss on ordinary activities before taxation		(537,604)	(716,721)
Tax on loss on ordinary activities	5	137,424	85,897
Retained loss for the financial period	11	**(400,180)**	**(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 2012

	Notes	As at 31 March 2012 £	As at 31 March 2011 £
Fixed assets			
Tangible fixed assets	6	3,807	6,275
		3,807	6,275
Current assets			
Debtors			
Amounts due within one year	7	146,865	113,226
Amounts due after one year	10	1	1
Cash at bank and in hand		31,470	132,875
		178,336	246,102
Creditors: Amounts falling due within one year	8	(22,491)	(40,267)
Net current assets		155,845	205,835
Creditors: Amounts falling due after one year	9	(1,190,655)	(842,933)
Net liabilities		**(1,031,003)**	**(630,823)**
Called up share capital	10	1	1
Profit and loss account	11	(1,031,004)	(630,824)
Shareholders' deficit	12	**(1,031,003)**	**(630,823)**

Signed on behalf of the Board

Gina Hall
Director
16 July 2012

Michael Rea
Director
16 July 2012

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) Revenue recognition

Revenue is recognised on an invoice basis, and is recognised as the invoice value net of VAT

b) 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.

c) 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

d) Tangible fixed assets

Tangible fixed assets are shown at cost less depreciation.

Depreciation is provided as follows.
Office equipment and computers - straight line basis over three years

e) 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 Management and Administrative expenditure

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

	Year to 31 March 2012 £	Year to 31 March 2011 £
Fees payable to the company's auditors for audit services	1,468	2,575
Fees payable to the company's auditors for non-audit services	1,900	1,700
	3,368	4,275

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

3 Staff costs and Director's remuneration

The aggregate remuneration of staff was.

	Year to 31 March 2012 £	Year to 31 March 2011 £
Wages and salaries	335,271	289,798
Social security costs	41,662	28,965
	376,933	318,763

The average monthly number of employees for the year ended 31 March 2012 was 6 (2011. 4). The number of employees as at 31 March 2012 was 7 (2011. 6).

A management fee charge of £7,800 (2011. £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.

Notes to the financial statements

4 Interest payable and similar charges

	Year to 31 March 2012	Year to 31 March 2011
	£	£
Finance charge on intercompany loan	27,722	12,933
Bank charges	102	7
	27,824	12,940

5 Tax on loss on ordinary activities

(a) Analysis of corporation tax charge for the period

	Year to 31 March 2012	Year to 31 March 2011
	£	£
Current tax:		
Group relief receivable	(139,136)	(85,897)
Adjustment in respect of prior years	1,712	-
Total income tax credit	(137,424)	(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:

	Year to 31 March 2012	Year to 31 March 2011
	£	£
Loss on ordinary activities before taxation	(537,604)	(716,721)
Loss on ordinary activities multiplied by the average UK corporation tax company rate of 26% (2011: 28%)	(139,777)	(200,682)
Disallowed expenditure	641	2,690
Tax losses carried forward	-	112,095
Adjustment in respect of prior years	1,712	
Total income tax credit	(137,424)	(85,897)

There is an unrecognised deferred tax asset of £96,981 as at 31 March 2012 (2011: £104,088) in respect of losses carried forward which are re-valued to the future corporation tax rate of 24%. 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.

6 Tangible fixed assets

	Office equipment and computers
	£
Cost	
As at 1 April 2011	7,395
Additions	-
At 31 March 2012	7,395
Depreciation	
As at 1 April 2011	(1,120)
Charge for the year	(2,468)
At 31 March 2012	(3,588)
Net book value	
At 31 March 2011	6,275
At 31 March 2012	3,807

7 Debtors

	As at 31 March 2012 £	As at 31 March 2011 £
Trade receivables	9,010	-
Prepayments	431	8,226
Group relief receivable	137,424	85,897
VAT receivable	-	19,103
	146,865	113,226

8 Creditors: Amounts falling due within one year

	As at 31 March 2012 £	As at 31 March 2011 £
Trade creditors	943	200
Accruals	10,168	40,067
VAT Payable	2,810	-
Tax and Social Security	8,570	-
	22,491	40,267

9 Creditors: Amounts falling due after one year

	As at 31 March 2012 £	As at 31 March 2011 £
Loan payable and accrued interest	940,655	712,933
Relationship fee payable to CTEL	250,000	130,000
	1,190,655	842,933

The loan payable relates to the £1 8m loan facility with Sackville LCW (GP) for initial start-up funding, with the loan and accrued interest being repayable on 11 March 2015

Notes to the financial statements

10 Called up share capital

	As at 31 March 2012	As at 31 March 2011
	£	£
Authorised and issued		
1 ordinary shares of £1 each	1	1
Authorised, issued and paid		
1 ordinary shares of £1 each	1	1

11 Reserves

	Profit and loss account
	£
At 31 March 2011	(630,824)
Loss for the period	(400,180)
At 31 March 2012	(1,031,004)

12 Reconciliation of movement in shareholders' deficit

	2012	2011
	£	£
Shareholders' deficit at 31 March 2011	(630,823)	1
Loss for the period	(400,180)	(630,824)
Shareholders' deficit at 31 March 2012	(1,031,003)	(630,823)

13 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 4th Floor, Dorset House, 27-45 Stamford Street, London, SE1 9NT

Notes to the financial statements

14 Related parties

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

The company has a £1.8m loan facility with Sackville LCW (GP) which is 33 3% owned by its parent Carbon Trust Enterprises limited, with the loan and accrued interest being repayable on 11 March 2015