

Low Carbon Workplace Limited

Financial statements for the year ended 31 March 2014

Registered number: 07090543

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Company Information

Registered office: 4th Floor, Dorset House, 27-45 Stamford Street, London, SE1 9NT

Directors: Michael Rea
John Bywater
Gina Hall
Bruno Gardner (appointed 26 April 2014)

Company Secretary: Claire Williams

Solicitors: Burges Salmon LLP, One Glass Wharf, Bristol BS2 0ZX

Bankers: Royal Bank of Scotland plc, 119/121 Victoria Street, London SW1E 6RA

Auditors: Grant Thornton UK LLP, Melton Street, Euston Square, London, NW1 2EP

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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 2014. 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. Its main contract is with the Low Carbon Workplace LP ("LCW Fund"), which buys commercial office real estate assets, refurbishes them to a 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 also provides ongoing advice and support to occupiers of the LCW Fund buildings.

The company is wholly-owned by Carbon Trust Enterprises Limited ('CTEL') and is a member of the Carbon Trust group of companies.

Business review and future prospects

The company continues in its role as carbon advisor to the LCW Fund. 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 net asset value (NAV) of the completed properties held in the LCW Fund has grown to sufficient size such that annual income from the NAV-linked management fee is now sufficient to cover the costs associated with providing carbon advisory services.

During the year strong revenues enabled the company to repay its working capital loan to Sackville LCW (GP) Limited acting as the general partner to the LCW Fund. Repayment of the loan signals a new era for the company which allows it to act with more independence whilst retaining the contract with the LCW Fund.

The Directors in full knowledge of future contracted revenues, and having made enquires of CTCL, and taking into account its on-going support, have prepared the financial statements on a going concern basis.

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.

The principal risks and uncertainties to the growth of the company relate to the LCW Fund continuing to be successful in raising equity to purchase and redevelop commercial office buildings and that such buildings continue to be able to attract a valuation premium.

Directors' report

Results and dividends

The audited financial statements for the year ended 31 March 2014 are set out on pages 10 to 16. The profit for the year after taxation was £475,141 (2013: loss of £302,933) as set out in the profit and loss account on page 10. No dividends were paid or are proposed in respect of the year (2013: nil).

Directors

The Directors of the company during the year were:

Name	Position	Date of appointment/Resignation	Primary positions held elsewhere as at 31 March 2014
Michael Rea	Director	Appointed 01 March 2010	Chief Operating Officer, the Carbon Trust; Director, Carbon Trust Investments Limited; Director, CTEL; Director, Carbon Trust Resources Limited; Director, Carbon Trust Implementation Services; Director, Carbon Trust International Limited; Director, Sackville LCW (GP) Limited; Director, Sackville LCW SUB LP 1 (GP) Limited
John Bywater	Director	Appointed 27 September 2010	Managing Director, Caddick Developments Limited; Non-Executive Director, Realis Estates Limited; Director, Opera North Limited
Katharine Deas	Managing Director	Appointed 16 February 2011. Resigned 25 April 2014	None
Gina Hall	Director	Appointed 20 June 2011	Director, Carbon Trust Investments Limited; Director, CTEL; Director, Carbon Trust Holdings Limited; Director, Partnerships for Renewables Limited; Director, Partnerships for Renewables Construction Holdco Limited; Director, Partnerships for Renewables Development Company Limited; Director, Partnerships for Renewables CWFL Holdco Limited; Director, Craig Wind Farm Limited; Director, Sackville LCW (GP) Limited; Director, Sackville LCW SUB LP 1 (GP) Limited; Director, Carbon Trust Ventures Limited
Bruno Gardner	Managing Director	Appointed 26 April 2013	Carbon Trust Implementation Services Limited

Directors' report

Directors' qualifying third party indemnity provisions

The ultimate parent company has granted an indemnity to one or more of the Directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the Directors' report.

Directors' responsibilities statement

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors 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 the Directors 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 company and the profit or loss of the company for that year.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and 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.

The Directors have relied upon assurances from the company's parent company CTCL that it will provide sufficient investment in the company up to 31 July 2015, to meet the company's net obligations as they fall due. Accordingly, the Directors have prepared the financial statements on a going concern basis.

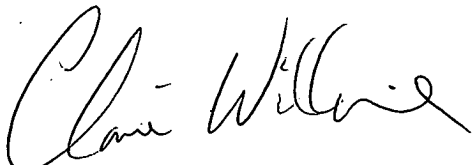
Auditors

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 make himself/herself aware of any relevant audit information and to establish that the Auditor is aware of that information.

Directors' report

The company's board of Directors has agreed that the company should appoint the same Auditor as the Carbon Trust group and accordingly Grant Thornton UK LLP has been appointed to replace Ernst & Young LLP as the external auditor of the company commencing 1 April 2013 financial year.

By order of the Board,

A handwritten signature in black ink, appearing to read 'Claire Williams', written in a cursive style.

Claire Williams
Company Secretary
London
15 August 2014

Low Carbon Workplace Limited
Registered number: 07090543

Independent Auditor's report

Independent Auditor's report to the shareholders of Low Carbon Workplace Limited

We have audited the financial statements of Low Carbon Workplace Limited (the company) for the year ended 31 March 2014 which comprise the profit and loss account, the balance sheet and the related notes. 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 auditor

As explained more fully in the Directors' Responsibilities Statement, 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 and express an opinion on 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/apb/scope/private.cfm.

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 2014 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.

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.

Independent Auditors' report

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.

Grant Thornton UK LLP

Carol Rudge

Senior Statutory Auditor

for and on behalf of Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants

London

15 August 2014

Profit and loss account
For the year to 31 March 2014

	Note	Year to 31 March 2014 £	Year to 31 March 2013 £
Turnover		963,801	98,205
Administrative expenses		(452,545)	(461,660)
Operating profit/(loss)	2	511,256	(363,455)
Interest receivable		244	75
Interest payable and similar charges	4	(18,534)	(34,437)
Profit/(loss) on ordinary activities before taxation		492,966	(397,817)
Tax (charge)/credit on ordinary activities	5	(17,825)	94,884
Profit/(loss) for the year	11	475,141	(302,933)

There were no recognised gains or losses for the year or the prior year other than the profit or loss stated above.
All results relate to continuing operations.

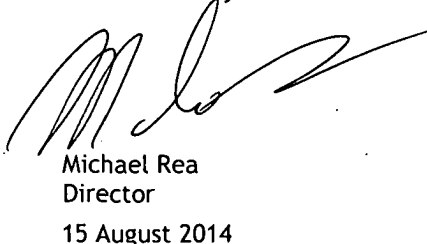
The accompanying notes on pages 12 to 16 form part of these financial statements.

Balance sheet
As at 31 March 2014

	Note	As at 31 March 2014 £	As at 31 March 2013 £
Fixed assets			
Tangible fixed assets	6	-	1,339
Current assets			
Debtors: amounts due within one year	7	68,618	146,333
Debtors: amounts due after one year		-	1
Cash at bank and in hand		18,255	27,940
		<u>86,873</u>	<u>174,274</u>
Creditors: amounts falling due within one year	8	<u>(65,668)</u>	<u>(38,762)</u>
Net current assets		21,205	135,512
Creditors: amounts falling due after one year	9	<u>(880,000)</u>	<u>(1,470,787)</u>
Net liabilities		<u>(858,795)</u>	<u>(1,333,936)</u>
Called up share capital	10	1	1
Profit and loss account	11	<u>(858,796)</u>	<u>(1,333,937)</u>
Shareholders' deficit	12	<u>(858,795)</u>	<u>(1,333,936)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by


John Bywater (Chair)
Director
15 August 2014


Michael Rea
Director
15 August 2014

Registered number: 07090543

The accompanying notes on pages 12 to 16 form part of these financial statements.

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.

The Directors in full knowledge of future contracted revenues, have relied upon assurances from the company's parent company CTCL that it will provide sufficient investment in the company and up to 31 July 2015, to meet the company's net obligations as they fall due. Accordingly, the Directors have prepared the financial statements on a going concern basis.

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

a) Turnover

Turnover 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.

Notes to the financial statements

2 Operating profit/(loss)

Operating profit/(loss) is stated after charging;

	Year to 31 March 2014	Year to 31 March 2013
	£	£
Depreciation	1,339	2,468
Audit services	2,000	1,508
Taxation services	1,640	2,000
	<hr/>	<hr/>

3 Staff costs and Director's remuneration

	Year to 31 March 2014	Year to 31 March 2013
	£	£
Wages and salaries	173,085	201,975
Social security costs	21,821	25,410
	<hr/>	<hr/>
	194,906	227,385
	<hr/>	<hr/>

The average monthly number of employees for the year ended 31 March 2014 was 3 (2013: 5). The number of employees as at 31 March 2014 was 4 (2013: 2).

A management fee charge of £210,000 (2013: £90,000) in respect of administration costs has been made by CTCL.

The above staff costs include the following in respect of Executive Directors:

	Year to 31 March 2014	Year to 31 March 2013
	£	£
Emoluments	130,054	114,999
Company contributions to money purchase pension schemes	4,561	-
	<hr/>	<hr/>
	134,615	114,999
	<hr/>	<hr/>

Some Directors of the company receive remuneration from the company's ultimate parent company, the Carbon Trust. The Directors do not believe that it is practicable to apportion this amount between their services as Directors of the company and their services as employees of the Carbon Trust.

Notes to the financial statements

4 Interest payable and similar charges

	Year to 31 March 2014	Year to 31 March 2013
	£	£
Finance charge on loan from Sackville Low Carbon Workplace (GP) Limited	18,407	34,295
Bank charges	127	142
	<u>18,534</u>	<u>34,437</u>

5 Tax on profit/(loss) on ordinary activities

(a) Analysis of corporation tax charge for the year

	Year to 31 March 2014	Year to 31 March 2013
	£	£
Current tax:		
Group relief payable/(receivable)	17,825	(94,884)
Total income tax charge/(credit)	<u>17,825</u>	<u>(94,884)</u>

(b) Factors affecting corporation tax for the year

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 profit/(loss) before tax is as follows:

	Year to 31 March 2014	Year to 31 March 2013
	£	£
Profit/(loss) on ordinary activities before taxation	<u>492,966</u>	<u>(397,817)</u>
Profit/(loss) on ordinary activities multiplied by the average UK corporation tax company rate of 23% (2013: 24%)	113,382	(95,476)
Disallowed expenditure	308	592
Capital allowances	(280)	-
Tax losses from previous years	<u>(95,585)</u>	<u>-</u>
Total income tax charge/(credit)	<u>17,825</u>	<u>(94,884)</u>

There is an unrecognised deferred tax asset of £nil as at 31 March 2014 (2013: £96,839) in respect of losses carried forward and accelerated capital allowances which are revalued to the future corporation tax rate of 20% (2013 - 23%). 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

6 Tangible fixed assets

	Office equipment and computers £
Cost	
As at 1 April 2013	7,395
Disposals	(7,395)
At 31 March 2014	-
Depreciation	
As at 1 April 2013	(6,056)
Charge for the year	(1,339)
Eliminated on disposals	7,395
At 31 March 2014	-
Net book value	
At 31 March 2014	-
At 31 March 2013	1,339

7 Debtors: amounts falling due within one year

	2014 £	2013 £
Trade debtors	68,617	51,449
Amounts owed by group undertakings	1	94,884
	<u>68,618</u>	<u>146,333</u>

8 Creditors: amounts falling due within one year

	2014 £	2013 £
Trade creditors	870	123
Other taxes and social security	18,579	11,016
Accruals	26,704	19,738
Amounts owed to group undertakings	17,825	7,675
Others creditors	1,690	210
	<u>65,668</u>	<u>38,762</u>

Notes to the financial statements

9 Creditors: amounts falling due after one year

	2014 £	2013 £
Loan payable and accrued interest	-	1,074,950
Amounts owed to group undertakings	880,000	395,837
	<u>880,000</u>	<u>1,470,787</u>

10 Called up share capital

	2014 £	2013 £
Authorised, issued and unpaid 1 ordinary shares of £1 each	<u>1</u>	<u>1</u>

11 Reserves

	Profit and loss account £
At 1 April 2013	(1,333,937)
Profit for the year	475,141
At 31 March 2014	<u>(858,796)</u>

12 Reconciliation of movement in shareholders' deficit

	2014 £	2013 £
Shareholders' deficit at 1 April	(1,333,936)	(1,031,003)
Profit/(loss) for the year	475,141	(302,933)
Shareholders' deficit at 31 March	<u>(858,795)</u>	<u>(1,333,936)</u>

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, a company limited by guarantee and incorporated in England and Wales. The company's immediate parent is Carbon Trust Enterprises Limited, whose financial statements are available from the company's registered office at: 4th Floor, Dorset House, 27-45 Stamford Street, London, SE1 9NT.

14 Related parties

The company is exempt from disclosing transactions with other companies within the Group headed up by the Carbon Trust under Financial Reporting Standard No.8.