

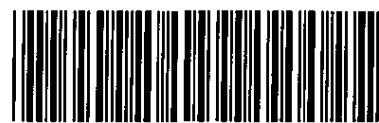
Argent (King's Cross) Limited

**Directors' report and financial
statements**

Registered number 3965242

31 December 2006

FRIDAY



AVTJ8REU

A21

20/07/2007

468

COMPANIES HOUSE

Directors' report and financial statements

Contents

| | |
|--|---|
| Directors' report | 1 |
| Statement of directors' responsibilities | 2 |
| Balance sheet | 3 |
| Notes | 4 |

Directors' report

The directors present their annual report and the unaudited financial statements for the year ended 31 December 2006

Principal activities, business review, results and dividends

The company did not trade during the year, having transferred the accumulated costs on its King's Cross Central project in late 2004 to the Argent Projects Partnership. In mid 2005, the accumulated costs were transferred to Argent Projects No 3 Partnership.

The company has an agreement with, inter alia, London & Continental Railways Limited and Exel Holdings Limited to act as development manager of the Kings Cross Central, London, development. The series of "minded to grant" resolutions on 9 March 2006 were followed by approval and signature of a full S 106 Agreement in late 2006. Since the year end, the scheme has been subject to a Judicial Review hearing, which resulted in confirmation of the scheme and notification from the King's Cross Railway Lands Group that it would not seek leave to appeal the High Court's decision.

No dividends were paid or declared during the year (2005 nil) and none are proposed.

Directors and directors' interests

The directors who held office during the year were as follows:

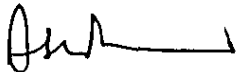
R N Madelin
D J G Partridge
P G Freeman
A J S Prower
A Gibbs
R M Evans

At 31 December 2006 the first four directors listed above had an indirect interest in the company's planning applications by way of their participation in the Argent Projects No 3 Partnership, a partnership with Argent Estates Limited. None of the directors had any direct interest in the shares of the company.

Political and charitable contributions

The company made no political contributions or charitable donations during the year (2005 £nil).

By order of the board



Director

5 Albany Courtyard
Piccadilly
London
W1J 0HF

16 July 2006

Statement of directors' responsibilities

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 for that period. In preparing those 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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 to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Balance sheet
at 31 December 2006

| | <i>Note</i> | 2006 £ | 2005 £ |
|---|-------------|-------------------------|-------------------------|
| Current assets | | | |
| Debtors amounts owed by related undertaking | | 100 | 100 |
| Net assets | | 100 | 100 |
| Capital and reserves | | | |
| Called up share capital | 2 | 100 | 100 |
| Equity shareholders' funds | | 100 | 100 |

The directors

- a) confirm that the company was entitled to exemption under subsection (1) of section 249AA of the Companies Act 1985 from the requirement to have its accounts for the financial year ended 31 December 2006 audited
- b) confirm that members have not required the company to obtain an audit of its accounts for that financial year in accordance with sub-section (2) of section 249B of that Act
- c) acknowledge their responsibilities for
 - I ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985, and
 - II preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226 of that Act, and which otherwise comply with the requirements of that Act relating to accounts, so far as applicable to the company

These financial statements were approved by the board of directors on 16 July 2007 and were signed on its behalf by


R M Evans
Director

The notes on page 4 form part of these financial statements

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules

The company did not trade during the year and therefore made neither profit nor loss. Accordingly, no profit and loss account has been prepared.

Under FRS 1 Cash Flow Statements (revised 1996), the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly-owned subsidiary of another UK undertaking.

2 Called up share capital

Shares of £1 each

| | Number | Authorised 2006 £ | 2005 £ | Called up and fully paid Number | 2006 £ | 2005 £ |
|-------------------------------|--------------|-------------------------|--------------|------------------------------------|------------|------------|
| Voting 'A' ordinary shares | 1,000 | 1,000 | 1,000 | 50 | 50 | 50 |
| Convertible non-voting shares | 1,000 | 1,000 | 1,000 | 50 | 50 | 50 |
| | <u>2,000</u> | <u>2,000</u> | <u>2,000</u> | <u>100</u> | <u>100</u> | <u>100</u> |

The 'A' ordinary shares and the convertible non-voting shares rank pari passu in all respects except that the non-voting shares carry no rights to speak or vote at General Meetings of the company and do not have any right to appoint directors. The convertible non-voting shares are convertible to 'B' ordinary shares on the satisfaction of a series of conditions contained within the Kings Cross Stage One Masterplan Project Agreement to which the company, inter alia, is a party. The conditions include conclusion of a valuation of the site and delivery of freehold title to the property. After conversion the 'B' ordinary shares will rank pari passu in all respects with the 'A' ordinary shares.

3 Ultimate holding company

The company is a subsidiary undertaking of the BT Pension Scheme.

The largest company in which the results of the company are consolidated is that headed by BriTel Property Acquisitions Limited incorporated in England. The smallest group in which they are consolidated is that headed by Argent Estates Limited incorporated in England. The consolidated financial statements of BriTel Property Acquisitions Limited may be obtained from the Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff CF4 3UZ. The consolidated financial statements of Argent Estates Limited may be obtained from 5 Albany Courtyard, Piccadilly, London, W1J 0HF.