

Company Registration No. 3965242

Argent (King's Cross) Limited

Directors' Report and Financial Statements

31 December 2008

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Argent (King's Cross) Limited

Report and financial statements 2008

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Argent (King's Cross) Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2008. The directors' report has been prepared in accordance with the special provisions relating to small companies under section 246(4) of the Companies Act 1985.

Principal activities and business review

On 15 January 2008, the company was acquired by Argent King's Cross GP Limited; its principal activity is the development management of King's Cross Central in NIC, London.

On 27 March 2008, the company entered into an Asset Management Agreement ("AMA") with King's Cross Central General Partner Limited ("KCCGPL") in KCCGPL's capacity as general partner of the King's Cross Central Limited Partnership. The company also entered into an agreement with Argent Estates Limited to procure the resources to perform its obligations under its AMA with the King's Cross Central Limited Partnership.

Results and dividends

The result for the year is shown on page 5; during the year, the company made a loss of £3,056,692 (2007: *£nil*). No dividends were paid or declared during the year (2007: *£nil*) and none are proposed.

Directors

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

A D Evans	<i>appointed 27/03/2008</i>
R M Evans	
M I Freeman	<i>appointed 27/03/2008</i>
P G Freeman	
A Gibbs	
A J Giddings	
P F Hazell	
R N Madelin	
D J G Partridge	
A J S Prower	
G J Taylor	<i>appointed 27/03/2008</i>
S Tillman	<i>appointed 27/03/2008</i>
R Webb	<i>appointed 01/04/2009</i>

Financial risk management

The directors have considered the impact of adverse changes in the market on the financial risks of market, currency, interest rate, credit and liquidity risks. It has been determined that any adverse changes in the market to the parameters that determine the effects of these financial risks will have a minimal impact on the financial performance and position of the Company. The Directors continue to monitor the economic market for fluctuations which drive company decisions and policy.

Risk identification and management

The directors consider the principal risks relating to the Company's activities are: planning and political, construction, letting and financial. The Company's risk profile is renewed regularly by the Board and, where appropriate, action is taken to mitigate such risks.

Political and charitable contributions

The company made no political contributions or charitable donations during the year (2007: *£nil*).

Argent (King's Cross) Limited

Directors' report

Information to auditors

The directors at the date of the approval of this report confirm that:

- so far as they are aware, there is no relevant audit information of which the Company's auditors are unaware; and
- as directors they have taken all steps that ought to have been taken in order to make themselves aware of any relevant audit information, and have established that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of S234ZA of the Companies Act 1985.

Going concern

The accounts have been prepared on a going concern basis. Please see note 9 on Going Concern.

Auditors

Deloitte LLP were appointed as auditors on 5 March 2009. Deloitte LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.



By order of the board

A J S Prower

Director

7 December 2009

Argent (King's Cross) Limited

Statement of directors' responsibilities

The directors are responsible for preparing the Annual 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). The financial statements are required by law to 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 these 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 UK accounting standards have been followed; and
- 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 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.

Independent auditors' report to the members of Argent (King's Cross) Limited

We have audited the financial statements of Argent (King's Cross) Limited for the year ended 31 December 2008 which comprise the profit and loss account, the balance sheet and the related notes 1 to 10. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors' 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report for the year and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.



Deloitte LLP

Chartered Accountants and Registered Auditors
London, United Kingdom

7 December 2009

Argent (King's Cross) Limited

Profit and loss account

For the year ended 31 December 2008

	Note	2008 £	2007 £
Fee income		1,808,308	-
Expenditure		(4,871,530)	-
Loss on ordinary activities before taxation	2	(3,063,222)	-
Tax credit on loss on ordinary activities	3	6,530	-
Loss on ordinary activities after taxation	6	(3,056,692)	-

All amounts derive from continuing operations.

The group has no recognised gains or losses other than the loss for the current and preceding year.

There is no difference between the results as stated and those on a historical cost basis.

Argent (King's Cross) Limited

Company Number 3965242

Balance sheet**At 31 December 2008**

	Notes	2008 £	2007 £
Current assets			
Debtors	4	1,631,924	100
Creditors: amounts falling due within one year	5	(4,688,516)	-
Net current (liabilities)/assets		<u>(3,056,592)</u>	<u>100</u>
Capital and reserves			
Called up share capital	7	100	100
Profit and loss account	6	(3,056,692)	-
Shareholders' (deficit)/funds		<u>(3,056,592)</u>	<u>100</u>

The notes on page 7 - 10 form part of these financial statements.

These financial statements were approved by the Board of Directors on 7 December 2009 and were signed on its behalf by:



S Tillman
Director

Argent (King's Cross) Limited

Notes to the accounts

For the year ended 31 December 2008

1. Accounting policies

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards. The principal accounting policies adopted are described below. These have all been applied consistently throughout the current and preceding year.

Basis of preparation

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

No cash flow statement has been produced as the company does not have a bank account.

Turnover

Turnover represents management fees receivable recognized by the company in respect of services supplied, net of VAT.

Taxation

Current tax, including 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.

2. Operating loss, staff numbers and costs

The fees for the audit of the company of £1,000 (2007: nil) were born by the Argent Kings Cross Partnership.

The company did not employ any staff during the year (2007: nil). None of the directors received any remuneration or other emoluments from the company.

Argent (King's Cross) Limited

Notes to the accounts

For the year ended 31 December 2008

3. Tax on profit on ordinary activities

	2008 £	2007 £
a) Analysis of tax credit for the period		
Current tax		
UK corporation tax at 28.5% (2007: 30%) on loss in the period	6,530	-
Deferred tax		
Deferred tax (credit)/charge	-	-
Tax credit on profit on ordinary activities	6,530	-
b) Factors affecting the tax charge for the period		
Loss on operating activities before tax	(3,063,222)	-
Tax on loss on ordinary activities multiplied by standard rate of UK corporation tax of 28.5% (2007: 30%)	(873,018)	-
Unutilised losses	866,488	-
Current tax credit	6,530	-

4. Debtors: due within one year

	2008 £	2007 £
Unpaid share capital	100	100
Due from Argent King's Cross GP Limited	6,987	-
Due from King's Cross Central Limited Partnership	1,624,837	-
	1,631,924	100

5. Creditors: amounts falling due within one year

	2008 £	2007 £
Due to Argent Estates Limited	4,688,516	-

Argent (King's Cross) Limited

Notes to the accounts

For the year ended 31 December 2008

6. Reserves

	Called up share capital	Profit and loss account	Total
	£	£	£
At 1 January 2008	100		100
Loss for the year	-	(3,056,692)	(3,056,692)
At 31 December 2008	100	(3,056,692)	(3,056,592)

7. Called up share capital

	2008	2007
	£	£
Authorised		
1,000 voting 'A' ordinary shares of £1 each	1,000	1,000
1,000 Convertible non-voting shares	1,000	1,000
	2,000	2,000
Called up and fully paid		
50 voting 'A' ordinary shares of £1 each	50	50
50 Convertible non-voting shares £1 each	50	50
	100	100

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. There is no expiry date for conversion.

8. Related party transactions

During the year, management fees of £1,624,837 (2007: *£nil*) accrued from the King's Cross Central Limited Partnership. The full balance remained outstanding at the year end.

Argent (King's Cross) Limited

Notes to the accounts

For the year ended 31 December 2008

9. Going concern

The company's activities are set out in the Directors' report on page 1. The company has considerable financial resources available from its ultimate parent and its directors believe that it is well placed to manage its business risks successfully, despite the current uncertain economic climate. Argent King's Cross GP Limited, a company incorporated in Great Britain, has provided a letter of financial support to Argent (King's Cross) Limited, its wholly owned subsidiary.

After making enquiries, the directors have reasonable expectations that the company has adequate resources to continue to trade for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the company's annual report and financial statements.

10. Immediate and ultimate parent companies

The Company is a wholly owned subsidiary of Argent King's Cross GP Limited, the immediate parent undertaking, which is registered in England and Wales. The ultimate parent and controlling party of the company is the BT Pension Scheme.

The largest and smallest company in which the results of the company are consolidated is that headed by the BT Pension Scheme incorporated in Great Britain.

The consolidated financial statements of the BT Pension Scheme are available from Lloyds Chambers, 1 Portsoken Street, London E1 8HZ.