



**Company Registration No. 3965242**

**Argent (King's Cross) Limited**

**Report and Financial Statements**

**Year ended 31 December 2014**

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**Argent (King's Cross) Limited**

**Report and financial statements 2014**

<b>Contents</b>	<b>Page</b>
<b>Directors' report</b>	<b>1</b>
<b>Strategic report</b>	<b>2</b>
<b>Statement of directors' responsibilities</b>	<b>3</b>
<b>Independent auditor's report</b>	<b>4</b>
<b>Profit and loss account</b>	<b>5</b>
<b>Balance sheet</b>	<b>6</b>
<b>Cash flow statement</b>	<b>7</b>
<b>Notes to the accounts</b>	<b>8</b>



**ARGENT**

**Argent (King's Cross) Limited**

## **Directors' report**

The directors present their annual report and the audited financial statements for the year ended 31 December 2014

### **Principal activities and business review**

The company's principal activity is the asset and development management of King's Cross Central in N1C, London

### **Directors**

The directors who held office during the year and to the date of this report, except as shown, were as follows

R M Evans  
M I Freeman  
P G Freeman  
A Gibbs  
A J Giddings *(resigned 31 December 2015)*  
D Grose  
P F Hazell *(resigned 31 December 2014)*  
J A R Heather *(resigned 31 March 2015)*  
R N Madelin *(resigned 31 December 2015)*  
R A J Meier *(resigned 31 March 2015)*  
D J G Partridge  
A J S Prower *(resigned 31 December 2015)*  
C M Taylor  
J H E Thompson  
J G M Wates *(appointed 1 May 2015)*

### **Information to auditor**

Each of the directors at the date of the approval of this report confirms that

- so far as he/she is aware, there is no relevant audit information of which the company's auditor is unaware, and
- as a director he/she has taken all steps that ought to have been taken in order to make himself/herself aware of any relevant audit information, and has established that the company's auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2006

### **Going concern**

The directors have a reasonable expectation that the company has adequate resources to continue to trade for the foreseeable future. Accordingly, as detailed in note 9 to the financial statements, the directors continue to adopt the going concern basis in preparing the annual report and financial statements

### **Auditor**

Deloitte LLP has expressed its willingness to continue in office as auditor and a resolution for reappointment will be proposed at the forthcoming Annual General Meeting

By order of the board

R M Evans  
Director

18 March 2016



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## **Argent (King's Cross) Limited**

### **Strategic report**

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 (novated to Argent (Property Development) Services LLP ("ASLLP") and subsequently replaced by a new Services Agreement with ASLLP) to procure the resources to perform its obligations under its AMA with the King's Cross Central Limited Partnership.

During 2014, the company continued to fulfil its duties under the AMA with KCCGPL through its agreement with ASLLP. The directors predict the company continuing this activity for the foreseeable future.

#### **Results and dividends**

The result for the year is shown on page 5, during the year, the company made a loss before tax of £1,071,864 (2013 profit of £3,928,255). No dividends were paid or declared during the year and none are proposed (2013 £nil).

#### **Key events**

The company continued to provide asset management services to KCCGPL. A number of milestones were achieved during the year, which resulted in Performance Fees and Milestone Payments becoming due of £24,991,736 (2013 £5,781,964), which has substantially increased the revenue received year-on-year. The company made a loss in the current year due to this being the first period in which surplus performance fees were payable under the AKX Management Agreement.

#### **KPIs**

The following KPIs are used by management to monitor the company

	2014 £	2013 £	Movement
Turnover	36,652,851	19,772,894	
Operating (loss)/profit before tax	(1,070,281)	3,928,255	
Shareholders' funds	129,817	934,787	
Milestone Payments	1,979,418	5,781,964	
Performance Fees	23,012,318	-	

#### **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 (2013 £nil).



**ARGENT**

**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). 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 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 accounting estimates that are reasonable and prudent, 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 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 to 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.

## **Independent auditor's 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 2014 which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes 1 to 12. 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 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 December 2014 and of its loss 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 strategic 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.



Helen George (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London, United Kingdom

18 March 2016

**ARGENT****Argent (King's Cross) Limited****Profit and loss account  
for the year ended 31 December 2014**

	Notes	2014 £	2013 £
Turnover		36,652,851	19,772,894
Cost of sales		(37,704,104)	(15,821,596)
<b>Gross (loss)/profit</b>		<b>(1,051,253)</b>	<b>3,951,298</b>
Administrative expenses	2	(19,028)	(23,043)
<b>Operating (loss)/profit</b>		<b>(1,070,281)</b>	<b>3,928,255</b>
Interest payable	3	(1,583)	-
<b>(Loss)/profit on ordinary activities before taxation</b>		<b>(1,071,864)</b>	<b>3,928,255</b>
Tax on profit on ordinary activities	3	230,344	(303,469)
<b>(Loss)/profit on ordinary activities after taxation</b>	6	<b>(841,520)</b>	<b>3,624,786</b>

All amounts derive from continuing operations

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

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



**ARGENT**

**Argent (King's Cross) Limited**

**Balance sheet  
at 31 December 2014**

	Notes	2014 £	2013 £
<b>Current assets</b>			
Debtors	4	25,998,348	10,169,204
Cash at bank		20,108,467	2,540,906
		<u>46,106,815</u>	<u>12,710,110</u>
<b>Creditors' amounts falling due within one year</b>	5	<u>(46,013,548)</u>	<u>(11,775,323)</u>
<b>Net current assets</b>		<u>93,267</u>	<u>934,787</u>
<b>Capital and reserves</b>			
Called up share capital	7	100	100
Profit and loss account	6	93,167	934,687
<b>Shareholders' funds</b>		<u>93,267</u>	<u>934,787</u>

The notes on page 8 - 11 form part of these financial statements

These financial statements (company number 3965242) were approved by the Board of Directors on 1<sup>st</sup> March 2016 and were signed on its behalf by

**R M Evans**  
Director



**ARGENT****Argent (King's Cross) Limited****Cash flow statement  
for the year ended 31 December 2014**

	Notes	2014 £	2013 £
<b>Cash flow from operating activity</b>			
Operating profit		(1,070,281)	3,928,255
Movement on debtors	4	(15,317,555)	(7,750,572)
Movement on creditors	5	34,515,079	5,329,682
<b>Net cash inflow from operating activities</b>		18,127,243	1,507,365
<b>Cash flow from financing activities</b>			
Interest received		4,248	-
Interest paid		(5,831)	-
<b>Net cash outflow from financing activities</b>		(1,583)	-
<b>Taxation</b>		(558,099)	(26,615)
<b>Increase in cash and cash equivalents</b>		17,567,562	1,480,750
<b>Opening cash</b>		2,540,906	1,060,156
<b>Closing cash</b>		20,108,467	2,540,906



**ARGENT**

## **Argent (King's Cross) Limited**

### **Notes to the accounts for the year ended 31 December 2014**

#### **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.

The financial statements have been prepared on a going concern basis, as described in note 9.

##### **Turnover**

Turnover represents management fees receivable recognised by the company in respect of services supplied, net of VAT. Turnover relates entirely to operations in the United Kingdom.

##### **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.

Deferred tax is recognised on all timing differences that have originated but not reversed at the balance sheet date. Deferred tax assets are recognised to the extent that they are considered recoverable. Deferred tax is measured 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 substantively enacted by the balance sheet date. Deferred tax is not discounted.

#### **2. Audit fees and staff**

The fees for the audit of the company of £6,365 are included in administrative expenses (2013: £6,180).

The company did not employ any staff during the year (2013: none). None of the directors received any remuneration or other emoluments in respect of their services to the company (2013: nil).

#### **3. Tax on profit on ordinary activities**

##### **(a) Analysis of tax charge/(credit) for the year**

	2014 £	2013 £
<b>Current tax</b>		
UK corporation tax at 21.49% (2013: 23.25%) on (loss)/profit in the year	(230,344)	303,469
<b>Tax (credit)/charge on profit on ordinary activities</b>	<u>(230,344)</u>	<u>303,469</u>

**ARGENT****Argent (King's Cross) Limited****Notes to the accounts (continued)  
for the year ended 31 December 2014****(b) Factors affecting the tax charge for the year**

	2014 £	2013 £
(Loss)/profit on operating activities before tax	(1,071,864)	3,928,255
Tax on (loss)/profit on ordinary activities multiplied by standard rate of UK corporation tax of 21.49% (2013: 23.25%)	(230,344)	913,319
Utilisation of losses not previously recognised	-	(609,850)
<b>Current tax charge</b>	<b>(230,344)</b>	<b>303,469</b>

**4 Debtors: due within one year**

	2014 £	2013 £
Trade debtors	1,244,383	399,643
Other debtors	8,901,287	-
Corporation tax	511,589	-
Due from King's Cross Central Limited Partnership	-	9,769,561
Due from Argent King's Cross Limited Partnership	-	-
VAT	-	-
Accrued income	15,341,089	-
	<b>25,998,348</b>	<b>10,169,204</b>

**5 Creditors: amounts falling due within one year**

	2014 £	2013 £
Due to Argent (Property Development) Services LLP	-	9,322,375
Due to Argent King's Cross GP Limited	1,134,269	1,093,861
Due to Argent King's Cross Limited Partnership	26,734,244	-
VAT	6,509,899	977,484
Other Creditors	-	2,624
Accruals	11,635,136	102,125
Corporation tax	-	276,854
	<b>46,013,548</b>	<b>11,775,323</b>

**ARGENT****Argent (King's Cross) Limited****Notes to the accounts (continued)  
for the year ended 31 December 2014****6 Reserves**

	<b>Called up share capital 2014 £</b>	<b>Profit and loss account 2014 £</b>	<b>Total 2014 £</b>
At 1 January	100	934,687	934,787
Loss for the year	-	(841,520)	(841,520)
At 31 December	<u>100</u>	<u>93,167</u>	<u>93,167</u>

**7. Called up share capital**

	<b>2014 £</b>	<b>2013 £</b>
<b>Authorised</b> 2,000 ordinary shares of £1 each	<u>2,000</u>	<u>2,000</u>
<b>Called up</b> 100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

**8 Related party transactions**

Argent (King's Cross) Limited is a 100% owned subsidiary of Argent King's Cross GP Limited

Argent King's Cross GP Limited and Argent King's Cross Limited Partnership are majority owned by the BT Pension Scheme

At the year end, Argent (King's Cross) Limited owed Argent King's Cross GP Limited £1,134,269 (2013 £1,093,861)

At the year end, Argent (King's Cross) Limited owed Argent King's Cross Limited Partnership £26,734,244 (2013 £nil)

During the year, management fees of £36,652,851 (2013 £16,313,039) accrued from the King's Cross Central Limited Partnership. A balance of £nil was outstanding at 31 December 2014 (2013 £9,769,561)

**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. Argent King's Cross GP Limited has provided a letter to confirm that the loan will not be recalled if it affects the financial stability of the company.

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



**ARGENT**

**Argent (King's Cross) Limited**

**Notes to the accounts (continued)  
for the year ended 31 December 2014**

**10. Reconciliation to net cash flow movement to net debt**

	2014 £	2013 £
Cash movement during year	17,567,561	1,480,750
Opening cash position	<u>2,540,906</u>	<u>1,060,156</u>
Closing net debt	<u>20,108,467</u>	<u>2,540,906</u>

**11. Analysis of net cash**

	1 January 2014 £	Cash flow £	31 December 2014 £
Net cash	<u>2,540,906</u>	<u>17,567,561</u>	<u>20,108,467</u>

**12. 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 incorporated in Great Britain and 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 8JZ.



**Company Registration No. LP12725**

**Argent King's Cross Limited Partnership**

**Report and Financial Statements**

**Year ended 31 December 2014**

THESE PARTNERSHIP  
ACCOUNTS FORM  
PART OF THE ACCOUNTS  
OF COMPANY  
No. 3965242



**ARGENT**

**Argent King's Cross Limited Partnership**

**Report and financial statements 2014**

<b>Contents</b>	<b>Page</b>
<b>General Partner's report</b>	<b>1</b>
<b>Strategic report</b>	Error! Bookmark not defined
<b>Statement of General Partner's responsibilities</b>	<b>3</b>
<b>Independent auditor's report</b>	<b>4</b>
<b>Profit and loss account</b>	<b>5</b>
<b>Balance sheet</b>	<b>6</b>
<b>Cash flow statement</b>	<b>7</b>
<b>Notes to the accounts</b>	<b>8</b>



**ARGENT**

## **Argent King's Cross Limited Partnership**

### **General Partner's report**

Argent King's Cross Limited Partnership ("the Partnership") is a limited partnership established on 23 January 2008 and registered in the United Kingdom

The General Partner presents its annual report and the audited financial statements of the Partnership for the year ended 31 December 2014. The financial statements have been prepared on the going concern basis, as detailed in note 10 to the financial statements

#### **Principal activity and objectives**

The principal activity of the Partnership is to invest and provide funding to the King's Cross Central Limited Partnership ("KCCLP")

The objective of the Partnership is to maximise its return in the KCCLP through long-term holding of the investment

#### **Business review**

The Partnership has continued to invest in KCCLP for the ongoing development at King's Cross

The increased profit is due to this being the first period in which the Partnership has become entitled to performance fees under its management agreement with Argent King's Cross Limited ("AKXL") and The General Partner

#### **Ownership**

Throughout the year the Partnership was owned in the proportions shown in the Limited Partners' capital accounts (note 7)

#### **Statement as to disclosure of information to the auditor**

The General Partner which was in office on the date of approval of these financial statements has confirmed, as far as it is aware, that there is no relevant audit information of which the auditor is unaware. The General Partner has confirmed that it has taken all the steps that it ought to have taken in order to make itself aware of any relevant audit information and to establish that it has been communicated to the auditor

#### **Auditor**

Deloitte LLP has indicated its willingness to continue in office

By order of the board

R M Evans  
for and on behalf of  
Argent King's Cross GP Limited  
(General Partner)

18 March 2016





## Argent King's Cross Limited Partnership

### Strategic report

The Partnership holds an investment in KCCLP

In addition, the Partnership is entitled to surplus fees which are earned through AKXL's Asset Management Agreement with King's Cross Central LP in accordance with the management agreement between The Partnership, The General Partner and Argent (King's Cross) Limited

The Partnership has continued to invest in KCCLP for the ongoing development at King's Cross. The directors predict the company continuing this activity for the foreseeable future

#### Results and dividends

The result for the year is shown on page 5, during the year, the company made a profit of £46,549,619 (2013 £762,078). No dividends were paid or declared during the year and none are proposed (2013 £nil)

The increased profit in the year is due to this being the first period in which the Partnership has become entitled to performance fees under the AKX management agreement

#### KPIs

The following KPIs are used by management to monitor the company

	2014 £	2013 £
Turnover	46,556,237	-
Net assets attributable to Partners	158,113,508	171,663,890

#### 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 (2013 £nil)



**ARGENT**

## **Argent King's Cross Limited Partnership**

### **Statement of General Partner's responsibilities**

The General Partner is responsible for preparing the General Partner's Report and the financial statements in accordance with applicable law and regulations

Under the Partnership (Accounts) Regulations 2008, the General Partner is required to prepare an annual report and financial statements under Chapter 3 of Part 16 of the Companies Act 2006 as if the Partnership was a company formed and registered under the Companies Act. Under that law the General Partner has 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 Partnership and of the profit or loss of the Partnership for that period

In preparing these financial statements, the General Partner is 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 Partnership will continue in business

The General Partner is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Partnership and enables it to ensure that its financial statements comply with Chapter 3 of Part 16 of the Companies Act 2006. The General Partner has general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the Partnership and to prevent and detect fraud and other irregularities

## **Independent auditor's report to the Partners of Argent King's Cross Limited Partnership**

We have audited the financial statements of Argent King's Cross Limited Partnership for the year ended 31 December 2014 which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes 1 to 13. 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 members of the Partnership, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applicable to qualifying partnerships. Our audit work has been undertaken so that we might state to the 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 members of the Partnership as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of the general partner and auditor**

As explained more fully in the General Partner's Responsibilities Statement, the General Partner is 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 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 Partnership's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the general partner, 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

### **Opinion on financial statements**

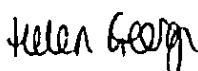
In our opinion the financial statements

- give a true and fair view of the state of the Partnership's affairs as at 31 December 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 as applied to qualifying partnerships.

### **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 members' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



Helen George (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London, United Kingdom

18 March 2016



**ARGENT**

**Argent King's Cross Limited Partnership**

**Profit and loss account  
for the year ended 31 December 2014**

	Notes	2014 £	2013 £
Turnover		46,556,237	-
Administrative expenses		(6,578)	930
<b>Profit on ordinary activities</b>	<b>2</b>	<b>46,549,659</b>	<b>930</b>
Interest receivable and similar income	3	-	761,148
Bank charges		(40)	-
<b>Net profit attributable to partners</b>	<b>7</b>	<b>46,549,619</b>	<b>762,078</b>

All amounts derive from continuing operations

The Partnership had no recognised gains or losses other than as shown above

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

**ARGENT****Argent King's Cross Limited Partnership****Balance sheet  
at 31 December 2014**

	Notes	2014 £	2013 £
<b>Fixed assets</b>			
Investment	4	129,535,619	169,703,081
<b>Current assets</b>			
Debtors	5	28,584,249	1,966,688
Cash at bank		5	301
		<u>28,584,254</u>	<u>1,966,989</u>
<b>Creditors, amounts falling due within one year</b>	6	<u>(6,365)</u>	<u>(6,180)</u>
<b>Net current assets</b>		<u>28,577,889</u>	<u>1,960,809</u>
<b>Net assets attributable to Partners</b>		<u>158,113,508</u>	<u>171,663,890</u>
<b>Loans and other amounts due to Partners</b>			
Limited Partners' net funds			
Capital accounts	7	9,000	9,000
Loan accounts	7	158,104,508	171,654,890
		<u>158,113,508</u>	<u>171,663,890</u>

The financial statements of Argent King's Cross Limited Partnership (Limited Partnership number LP12725) were approved by the Board of Directors on 18 March 2016

Signed on behalf of the Board of Directors

**R M Evans**  
for and on behalf of  
Argent King's Cross GP Limited

**ARGENT****Argent King's Cross Limited Partnership****Cash flow statement  
for the year to 31 December 2014**

	Notes	2014 £	2013 £
<b>Cash flow from operating activity</b>			
Operating profit		46,549,659	930
Movement on debtors	5	(26,617,561)	(1,965,688)
Movement on creditors	6	185	(1,523,272)
<b>Net cash inflow / (outflow) from operating activities</b>		<b>19,932,283</b>	<b>(3,488,030)</b>
<b>Cash flow from capital expenditure and financial investment</b>			
Additional financial investments		-	(761,148)
Repayments of financial investments		40,167,462	14,091,326
<b>Net cash outflow from capital expenditure and financial investment</b>		<b>40,167,462</b>	<b>13,330,178</b>
<b>Cash flow from financing activities</b>			
Interest received		-	761,148
Interest paid		(40)	-
Repayment of Partner Advances		(60,100,001)	(10,603,196)
<b>Net cash outflow from financing activities</b>		<b>(60,100,041)</b>	<b>(9,842,048)</b>
<b>(Decrease) / increase in cash and cash equivalents</b>		<b>(296)</b>	<b>100</b>
Opening cash		301	201
<b>Closing cash</b>		<b>5</b>	<b>301</b>

**ARGENT****Argent King's Cross Limited Partnership****Notes to the accounts  
for the year ended 31 December 2014****1 Accounting policies**

The following accounting policies have been applied consistently throughout the year and the preceding year in dealing with items which are considered material in relation to the Partnership's financial statements

**Basis of preparation**

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards and under the historical cost convention. The financial statements have been prepared on a going concern basis, as described in note 10.

The Partnership is exempt from the requirement to prepare group accounts as afforded by s400 of the Companies Act 2006, since the Partnership's ultimate parent, the BT Pension Scheme, a company registered in England and Wales, has prepared consolidated accounts which include the Partnership and its subsidiary undertakings. These financial statements therefore present information about the Partnership as an individual undertaking and not about its Group.

**Investments**

Investments are held at cost less provision for impairment.

**Finance costs**

The costs relating to the obtaining of loan finance are amortised through the profit and loss account at a constant yearly rate. The loan is included in the balance sheet at the amount received from the lender less the unamortised costs.

**Taxation**

No provision is made in the financial statements for the liabilities of Partners for income or capital gains taxes since such liabilities are the responsibility of the individual Partners.

**2 Operating profit**

	2014 £	2013 £
Operating profit is stated after charging		
Auditors' remuneration – audit of the Partnership's accounts	6,365	6,180
	<u>6,365</u>	<u>6,180</u>

**3 Interest receivable and similar income**

	2014 £	2013 £
Interest receivable on Preferred Advance	-	761,148
	<u>-</u>	<u>761,148</u>

**ARGENT****Argent King's Cross Limited Partnership****Notes to the accounts (continued)  
for the year ended 31 December 2014****4 Investment**

	<b>Masterplanning costs £</b>	<b>King's Cross investment £</b>	<b>King's Cross Advances £</b>	<b>Total £</b>
Cost at 1 January 2014	34,824,121	55,336,498	79,542,462	169,703,081
Additions	-	-	-	-
Repayments	-	-	(40,167,462)	(40,167,462)
	<u>34,824,121</u>	<u>55,336,498</u>	<u>39,375,000</u>	<u>129,535,619</u>

The master planning costs represent costs involved in obtaining planning permission at King's Cross and the right to purchase a 50% share in the King's Cross Central Limited Partnership under the Revised Master Planning Agreement (4 April 2008)

The King's Cross investment represents the purchase of 50% of the units in the King's Cross Central Property Trust and the associated 50% investment in the King's Cross Central General Partner Limited

During the prior year, Preferred Advances which carried an interest rate of 7% were fully repaid. The remaining King's Cross Advance of £39,375,000 is interest-free

**5. Debtors**

	<b>2014 £</b>	<b>2013 £</b>
Due from Argent (King's Cross) Limited	26,734,244	-
Due from Argent King's Cross GP Limited	1,849,005	1,965,688
Other debtors	1,000	1,000
	<u>28,584,249</u>	<u>1,966,688</u>

**6. Creditors: amounts falling due within one year**

	<b>2014 £</b>	<b>2013 £</b>
Accruals	6,365	6,180
	<u>6,365</u>	<u>6,180</u>





**ARGENT**

## Argent King's Cross Limited Partnership

### Notes to the accounts (continued) for the year ended 31 December 2014

#### 7. Loans and other amounts due to Partners

	Fund Trustees Limited £	Britel King's Cross GP Limited £	Argent Group PLC £	Argent Investments LLP £	MIFKX Limited £	PGFKX Limited £	RNMKX Limited £	DJGPKX Limited £	AJGKX Limited £	STKX Limited £	GJTKX Limited £	AJSFKX Limited £	RMEKX Limited £	AGKX Limited £	Total £
<b>Capital accounts</b>															
At 1 January and 31 December 2014	7,400	1,000	-	76	70	130	76	76	38	10	10	38	38	38	9,000
<b>Loan accounts</b>															
At 1 January 2014	165,658,361	(3,471)	-	760,000	700,000	1,300,000	760,000	760,000	380,000	100,000	100,000	380,000	380,000	380,000	171,654,890
Transfer from current accounts	46,549,619	-	-	-	-	-	-	-	-	-	-	-	-	-	46,549,619
Repaid during the year	(60,100,001)	-	-	-	-	-	-	-	-	-	-	-	-	-	(60,100,001)
At 31 December 2014	152,107,979	(3,471)	-	760,000	700,000	1,300,000	760,000	760,000	380,000	100,000	100,000	380,000	380,000	380,000	158,104,508
<b>Current accounts</b>															
At 1 January 2014	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net result for the year	46,549,619	-	-	-	-	-	-	-	-	-	-	-	-	-	46,549,619
Transferred to loan accounts	(46,549,619)	-	-	-	-	-	-	-	-	-	-	-	-	-	(46,549,619)
At 31 December 2014	152,115,379	(2,471)	-	760,076	700,070	1,300,130	760,076	760,076	380,038	100,010	100,010	380,038	380,038	380,038	158,113,508

**ARGENT****Argent King's Cross Limited Partnership****Notes to the accounts (continued)  
for the year ended 31 December 2014****8. Related parties**

Argent King's Cross Limited Partnership has a 50% interest (at 31 December 2014 and 2013) in the King's Cross Central Limited Partnership

Argent King's Cross Limited Partnership, Argent King's Cross GP Limited and Argent (King's Cross) Limited are majority owned by the BT Pension Scheme

The Partnership is owed £1,849,005 from Argent King's Cross GP Limited, the full balance is currently outstanding (2013 £1,965,688)

The Partnership is owed £26,734,244 from Argent (King's Cross) Limited (2013 £ nil)

**9 Ultimate holding entity**

The ultimate parent and controlling party of the company is the BT Pension Scheme

The largest company in which the results of the company are consolidated is that headed by the BT Pension Scheme incorporated in Great Britain. The immediate parent and parent company of the smallest group in which they are consolidated is that headed by Britel Fund Nominees Limited, the immediate parent undertaking, incorporated in Great Britain.

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

**10 Going concern**

The Partnership's activities are set out in the General Partner's report on page 1. The Partnership has considerable financial resources to call upon from its ultimate parent. As a consequence, the General Partner believes that it is well placed to manage its business risks successfully.

The General Partner has reasonable expectations that the partnership has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Partnership continues to adopt the going concern basis in preparing the Partnership's report and financial statements.

**11. Reconciliation in net cash flow movement to net cash**

	2014 £	2013 £
Cash movement during year	(296)	100
Opening cash	301	201
Closing net cash	<u>5</u>	<u>301</u>

**12. Analysis of net cash**

	1 January 2014 £	Cash flow £	31 December 2014 £
Net cash	<u>301</u>	<u>(296)</u>	<u>5</u>

**13. Partners and staff**

None of the Partners during the year received any remuneration or other emoluments in respect of their services to the Partnership (2013 nil). The Partnership did not employ any staff during the year or preceding period.