



ARGENT

Company Registration No. 06450780

Argent King's Cross GP Limited

Report and Financial Statements

Year ended 31 December 2015

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Argent King's Cross GP Limited

Report and financial statements 2015

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Argent King's Cross GP Limited

Directors' report

The directors present their report and the audited financial statements for the year to 31 December 2015

The financial statements have been prepared in compliance with Financial Reporting Standard 102 (FRS 102) on the going concern basis, as detailed in note 1 to the financial statements. Argent King's Cross GP Limited (the Company) transitioned from previously extant UK GAAP to FRS 102 as at 1 January 2014.

This is the first year that the Company has presented its financial statements under FRS 102 (Financial Reporting Standard 102) issued by the Financial Reporting Council. The following disclosures are required in the year of transition. The last financial statements under a previous GAAP (UK GAAP) were for the year ended 31 December 2014 and the date of transition to FRS 102 was 1 January 2014.

There has been no restatement of the prior year figures due to the change in accounting framework from UK GAAP to FRS 102.

Principal activities

The Company's principal activity is to act as the General Partner for the Argent King's Cross Limited Partnership and to provide funding to Argent (King's Cross) Limited. The directors do not anticipate any change to these activities going forward.

Dividends

No dividend was paid during the year or preceding year.

Directors and their interests

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

R M Evans	
M I Freeman	
P G Freeman	
A Gibbs	
A J Giddings	<i>(resigned 31 December 2015)</i>
D Grose	
J A R Heather	<i>(resigned 31 March 2015)</i>
R N Madelin	<i>(resigned 31 December 2015)</i>
R A J Meier	<i>(resigned as an alternate director 31 March 2015)</i>
D J G Partridge	
A J S Prower	<i>(resigned 31 December 2015)</i>
C M Taylor	
J H E Thompson	
J G M Wates	<i>(appointed 1 May 2015)</i>

In preparing this Directors' Report, the directors have complied with S414C(11) of the Companies Act 2006 by including certain disclosures required by S416(4) within the Strategic Report.

Statement of disclosure to auditors

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

- so far 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 it 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.



Argent King's Cross GP Limited

Directors' report (continued)

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 1 to the financial statements, the directors continue to adopt a going concern basis in preparing the annual report and financial statements.

Auditors

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.

Approved by the Board of Directors
and signed on behalf of the Board

A Gibbs
Director

7 October 2016

Argent King's Cross GP Limited

Strategic report

The Company is the General Partner for Argent King's Cross Limited Partnership (the Limited Partnership)

In addition, the Company is entitled to 0.25% of surplus fees which the Limited Partnership earns through Argent (King's Cross) Limited's Asset Management Agreement with King's Cross Central Limited Partnership (KCCLP) in accordance with the management agreement between the Company, the Limited Partnership and Argent (King's Cross) Limited (AKXL)

The Company has continued to act as the General Partner for the Limited Partnership which has an interest in KCCLP for the ongoing development at King's Cross. The directors predict the Company continuing this activity for the foreseeable future.

Results and distributions

The result for the year is shown on page 6, during the year, the Company made a profit of £749,553 (2014: £112,438)

The increased profit in the year is due to the Company receiving an element of the consideration for the sale of the Limited Partnership's part disposal of its investment in KCCLP.

KPIs

The following KPIs are used by management to monitor the Company

	2015 £	2014 £
Profit for the year	749,553	112,438
Net assets/(liabilities)	169,615	(579,938)

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 drives the Company's decisions and policy.

Financial identification and management

The directors consider the principal risks relating to the Company's activities are planning and political, construction, letting, and financial. The Limited Partnership's risk profile is renewed regularly by the directors 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 current or preceding year.

Transition to FRS 102

These financial statements for the year ended 31 December 2015 are the first financial statements of the Company prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 January 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 13.

Approved by the Board of Directors
and signed on behalf of the Board



A Gibbs
Director

7 October 2016

Argent King's Cross GP 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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 judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, 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 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 directors of

Argent King's Cross GP Limited

We have audited the financial statements of the Company for the year ended 31 December 2015 which comprise the profit and loss account the balance sheet 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the Company's directors, as a body, as if an audit of these single entity financial statements had been required, 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 directors 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 directors 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 directors' commentary 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 2015 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.

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.

Philip Doherty

Philip Doherty FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom

7 October 2016

Argent King's Cross GP Limited

Profit and loss account for the year ended 31 December 2015

	Note	Year ended 31 December 2015 £	Year ended 31 December 2014 £
Turnover		-	116,682
Administrative expenses		(5,245)	(4,244)
Write off of historic WIP balance		(183,471)	-
Other income		919,516	-
Profit on ordinary activities before taxation		730,800	112,438
Taxation	5	18,753	-
Profit on ordinary activities after taxation	10	749,553	112,438

All amounts derive from continuing operations

The Company has no recognised gains or losses other than the profit for each year

Argent King's Cross GP Limited
**Balance sheet
as at 31 December 2015**

	Note	As at 31 December 2015 £	As at 31 December 2014 £
Fixed assets			
Investment	6	101	100
Current asset			
Work-in-progress		-	183,471
Debtors	7	2,053,742	1,134,269
Total current assets		2,053,742	1,317,740
Creditors: amounts falling due within one year	8	(1,884,228)	(1,897,778)
Net current assets/(liabilities)		169,615	(580,038)
Net assets/(liabilities)		169,615	(579,938)
Capital and reserves			
Called up share capital	9	1,000	1,000
Profit and loss account	10	168,615	(580,938)
Shareholders' funds	10	169,615	(579,938)

The notes set out on pages 10 to 13 form part of these accounts

These financial statements (Company No 06450780) were approved by the Board of Directors on 7 October 2016

Signed on behalf of the Board of Directors



A Gibbs
Director

**ARGENT****Argent King's Cross GP Limited****Statement of changes in equity
for the year ended 31 December 2015**

	Notes	Capital accounts £	Loan accounts £	Total £
Balance at 1 January 2014		1,000	(693,376)	(692,376)
Year ended 31 December 2014				
Total comprehensive income for the year		-	112,438	112,438
Repaid during the year		-	-	-
Balance at 31 December 2014		1,000	(580,938)	(579,938)
Year ended 31 December 2015				
Total comprehensive income for the year		-	749,553	749,553
Repaid during the year		-	-	-
Balance at 31 December 2015		1,000	168,615	169,615

Argent King's Cross GP Limited

Cash flow statement for the year ended 31 December 2015

	Notes	2015 £	2014 £
Cash flow from operating activity			
Operating profit		914,271	112,438
Movement on debtors	7	(919,473)	(40,408)
Movement on creditors	8	5,202	(72,030)
Net cash inflow/(outflow) from operating activities		-	-
Increase/(decrease) in cash and cash equivalents		-	-
Opening cash		-	-
Closing cash		-	-

Argent King's Cross GP Limited

Notes to the accounts for the year ended 31 December 2015

1 Accounting policies

Argent King's Cross GP Limited is a company incorporated in the United Kingdom under the Companies Act. The registered office is 4 Stable Street, London, N1C 4AB. The nature of the Company's operations and its principal activities are set out on page 1.

Accounting convention

The financial statements are prepared in sterling, which is the functional currency of the Limited Partnership. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

These financial statements have been prepared in accordance with FRS 102 and the requirements of the Companies Act 2006. These financial statements for the year ended 31 December 2015 are the first financial statements of the Company prepared in accordance with FRS 102. The date of transition to FRS 102 was 1 January 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 13.

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.

Investments

As an investor that is not a parent, the Company has a choice under Section 11 of FRS 102 between applying the cost model and the fair value model in accounting for its investments. The Company has elected to apply the cost model and therefore recognises its investments at cost less any accumulated impairment losses recognised in accordance with Section 27 of FRS 102.

Work-in-progress

Work-in-progress is stated at the lower of cost and net realisable value. It represents costs associated with commitments under the Masterplanning Agreement for King's Cross. There are no material differences between the balance sheet value of stocks and their replacement value.

Debtors and creditors

Debtors and creditors are initially held at historic cost and subsequently, debtors at cost less any provisions. Provisions for debtors are made where it is established that there is objective evidence that the Partnership will not be able to collect all amounts due according to the original terms of the receivable. The provision is recognised in the profit and loss account.

Going concern

The directors have reviewed the financial forecasts for the Company for a period of 12 months from the date of approval of these financial statements. On the basis of these projections the directors feel it is appropriate to prepare the financial statements on a going concern basis.

Judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The directors do not believe there to be any judgements that have a significant effect on the amounts recognised in the financial statements.

Argent King's Cross GP Limited

Notes to the accounts (continued) for the year ended 31 December 2015

2. Turnover and other income

Turnover consists of a 0.25% fee which is receivable on any fees the Limited Partnership receives in accordance with the Asset Management Agreement with KCCLP

Other income relates consideration receivable as part of the Argent King's Cross Limited Partnership's part disposal of its investment in King's Cross Central

3. Directors and staff

None of the directors received any emoluments from the Company (2014: £nil). The Company did not employ any staff during the current or preceding year.

4. Operating profit

	2015 £	2014 £
Operating profit is stated after charging		
Auditor's remuneration – audit of the Company's accounts	5,245	4,244

5. Tax on profit on ordinary activities

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

	2015 £	2014 £
Current tax		
Prior year adjustment	(23,174)	-
Current year	4,421	-
Tax (credit)/charge on profit on ordinary activities	(18,753)	-

(b) Factors affecting the tax (credit)/charge for the year

	2015 £	2014 £
Profit on operating activities before tax	730,800	112,438
Tax on profit on ordinary activities multiplied by the standard rate of UK corporation tax of 20.25% (2014: 21.49%)	147,987	24,163
Utilisation of tax losses not previously recognised	(143,566)	(24,163)
Prior year adjustment	(23,174)	-
Total tax (credit)/charge	(18,753)	-

There are no recognised or unrecognised tax losses to be carried forward.

The Finance (No 2) Act 2015, which provides for a reduction in the main rate of UK corporation tax to 19% with effect from 1 April 2017 and to 18% with effect from 1 April 2020, was substantively enacted on 18 November 2015. Existing temporary differences on which deferred tax has been provided may therefore unwind in periods subject to these reduced rates and accordingly, the reduced rates have been reflected in the calculation of deferred tax.

Argent King's Cross GP Limited

Notes to the accounts (continued) for the year ended 31 December 2015

6. Investments

	2015 £	2014 £
Argent King's Cross Nominee Limited	1	-
Argent (King's Cross) Limited	100	100
	<u>101</u>	<u>100</u>

The investment of £1 represents 100% share capital of Argent King's Cross Nominee Limited, an intermediate holding company, registered in England and Wales

The investment of £100 represents 100% of the share capital of Argent (King's Cross) Limited, a company that's principal activity is that of asset and development management for King's Cross Central, registered in England and Wales

7. Debtors

	2015 £	2014 £
Argent (King's Cross) Limited	1,134,226	1,134,269
Argent King's Cross Limited Partnership	919,516	-
	<u>2,053,742</u>	<u>1,134,269</u>

Loan amounts carry no interest and are repayable on demand

8 Creditors: amounts falling due within one year

	2015 £	2014 £
Accruals	9,489	4,244
Argent King's Cross Limited Partnership	1,848,963	1,849,006
Other creditors	459	458
Corporation tax	25,317	44,070
	<u>1,884,228</u>	<u>1,897,778</u>

Argent King's Cross GP Limited

Notes to the accounts (continued) for the year ended 31 December 2015

9. Called up share capital

	2015 £	2014 £
Authorised		
1,000 ordinary shares of £1 each	1,000	1,000
Issued and allotted		
700 'A' shares of £1 each	700	700
100 'B' shares of £1 each	100	100
200 'C' shares of £1 each	200	200
	<u>1,000</u>	<u>1,000</u>

All shares rank pari passu. Holders of 'A' shares have the right to appoint one director. Holders of 'B' and 'C' shares are entitled to be appointed as directors.

10. Reserves and reconciliation of shareholders' funds

	Share capital 2015 £	Profit and loss account 2015 £	Total 2015 £
At 1 January	1,000	(580,938)	(579,938)
Profit for the financial year	-	749,553	749,553
At 31 December	<u>1,000</u>	<u>168,615</u>	<u>169,615</u>

11. Related parties

The Limited Partnership, AKXL and the Company are majority owned by the BT Pension Scheme. Argent Group Limited is 100% owned by the BT Pension Scheme.

The Company owed the Limited Partnership £1,848,963 at 31 December 2015 (2014: £1,849,006) in relation to a loan. The Company is owed £919,516 (2014: £nil) from the Limited Partnership in relation to its share of the Limited Partnership's profits.

At 31 December 2015, AKXL owed the Company £1,134,226 (2014: £1,134,269).

12. Immediate and ultimate parent companies

The Company is a subsidiary undertaking of Britel Fund Nominees 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.

13. Explanation of transition to FRS 102

This is the first year that the Company has presented its financial statements under FRS 102 issued by the Financial Reporting Council. The last financial statements under a previous GAAP (UK GAAP) were for the year ended 31 December 2014 and the date of transition to FRS 102 was 1 January 2014.

There has been no restatement on prior year figures due to the change in accounting framework from UK GAAP to FRS 102.



ARGENT

Company Registration No. LP127250

THESE ACCOUNTS
FORM PART OF THE
GENERAL ACCOUNTS
OF THE COMPANY
6450780

Argent King's Cross Limited Partnership

Report and Financial Statements

Year ended 31 December 2015

WEDNESDAY

COMPANIES HOUSE



ARGENT

Argent King's Cross Limited Partnership

Report and financial statements 2015

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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 the annual report and the audited financial statements of the Partnership for the year ended 31 December 2015. The financial statements have been prepared on the going concern basis, as detailed in note 11 to the financial statements

As permitted by section 414C (11) of the Companies Act 2006, we have commented in detail in the Strategic Report on the following matters that form part of this report by cross reference

- Financial risk management objectives and policies
- Future developments

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

During the year, the Partnership disposed of part of its investment in KCCLP, realising a profit on disposal of £117.75m (note 3)

Ownership

Throughout the year the Partnership was owned in the proportions shown in the Limited Partners' capital accounts (note 8)

Statement of disclosure to auditors

The General Partner at the date of approval of this report confirms that

- so far it is aware, there is no relevant audit information of which the Limited Partnership's auditor is unaware, and
- as a General Partner it has taken all steps that ought to have been taken in order to make it aware of any relevant audit information, and has established that the Limited Partnership's auditor is aware of that information

Going concern

The General Partner has a reasonable expectation that the Limited Partnership has adequate resources to continue to trade for the foreseeable future. Accordingly, as detailed in note 11 to the financial statements, the General Partner continues to adopt a going concern basis in preparing the annual report and financial statements

Auditors

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

On behalf of the members

A Gibbs

For and on behalf of the General Partner,
Argent King's Cross GP Limited

29 November 2016

Argent King's Cross Limited Partnership

Statement of General Partner's responsibilities

The Partnership holds an investment in KCCLP

In addition, the Partnership is entitled to fees, net of the margin retained by Argent (King's Cross) Limited ("AKXL"), which are earned through AKXL's Asset Management Agreement with KCCLP in accordance with the management agreement between The Partnership, The General Partner and AKXL

The Partnership has continued to invest in KCCLP for the ongoing development at King's Cross. The General Partner predicts the Limited Partnership continuing this activity for the foreseeable future

Results and distributions

The result for the year is shown on page 5, during the year, the Limited Partnership made a profit of £109,958,057 (2014 £63,376,923). Profits were distributed as per the Agreement (note 8)

The increased profit in the year is due to the part disposal of the Partnership's investment in KCCLP

Transition to FRS 102

These financial statements for the year ended 31 December 2015 are the first financial statements of Argent King's Cross Limited Partnership prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 January 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 13

KPIs

The following KPIs are used by management to monitor the company

	2015 £	2014 £
Turnover	-	46,556,237
Profit on part disposal of investment	117,751,957	-
Net assets attributable to Partners	120,940,099	183,422,469

Financial risk management

The General Partner has 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 Partnership. The General Partner continues to monitor the economic market for fluctuations which drive the Partnership's decisions and policy

Risk identification and management

The General Partner considers the principal risks relating to the Partnership's activities are planning and political, construction, letting, and financial. The Partnership's risk profile is renewed regularly by the General Partner and, where appropriate, action is taken to mitigate such risks

Political and charitable contributions

The Partnership made no political contributions or charitable donations during the year (2014 £nil)

On behalf of the members



A Gibbs

For and on behalf of the General Partner,
Argent King's Cross GP Limited

29 November 2016

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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"

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 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

The General Partner is responsible for the maintenance and integrity of the corporate and financial information included on the firm's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

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 2015 which comprise the profit and loss account, the balance sheet, the statement of changes in equity, 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), including Financial Reporting Standard 102.

This report is made solely to the Limited Partnership's General Partner, 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 Limited Partnership's General Partner 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 Limited Partnership and the Limited Partnership's General Partner as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the General Partner and auditors

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.

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 Limited 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 Limited Partnership's affairs as at 31 December 2015 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 matters prescribed by the Companies Act 2006

In our opinion the information given in the General Partner's 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
- we have not received all the information and explanations we require for our audit, or
- certain disclosures of members' remuneration specified by law are not made.

Philip Doherty

Philip Doherty FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditor
London, United Kingdom

30 November 2016

Argent King's Cross Limited Partnership

Profit and loss account for the year ended 31 December 2015

	Notes	2015 £	2014 £
Turnover		-	46,556,237
Administrative expenses		(159,536)	(6,578)
(Loss)/profit on ordinary activities	2	(159,536)	46,549,659
Profit on part disposal of Investment	3	117,751,957	-
Release of capital contribution	4	(13,476,476)	
Unwind of interest on advances	5	5,842,365	16,827,304
Interest payable and similar charges		(253)	(40)
Net profit attributable to partners	8	109,958,057	63,376,923

All amounts derive from continuing operations

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

Argent King's Cross Limited Partnership

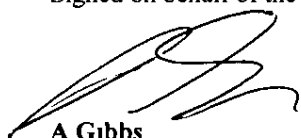
Balance sheet as at 31 December 2015

	Notes	2015 £	2014 £
Non-current assets			
Investment in associate	4	83,507,986	128,595,405
Debtors due after one year	5	18,285,395	26,249,175
		<u>101,793,381</u>	<u>154,844,580</u>
Current assets			
Debtors	6	17,799,177	28,584,249
Cash at bank		1,358,429	5
		<u>19,157,606</u>	<u>28,584,254</u>
Creditors: amounts falling due within one year	7	(10,888)	(6,365)
Net current assets		<u>19,146,718</u>	<u>28,577,889</u>
Net assets attributable to Partners		<u>120,940,099</u>	<u>183,422,469</u>
Loans and other amounts due to Partners			
Limited Partners' net funds			
Capital accounts	8	9,000	9,000
Loan accounts	8	120,931,099	183,413,469
		<u>120,940,099</u>	<u>183,422,469</u>

The notes on page 9 to 15 form part of these financial statements

The financial statements of Argent King's Cross Limited Partnership (Limited Partnership number LP12725) were approved by the General Partner on **24** November 2016

Signed on behalf of the members



A Gibbs
for and on behalf of
Argent King's Cross GP Limited

Argent King's Cross Limited Partnership

Statement of changes in equity for the year ended 31 December 2015

	Notes	Capital accounts £	Loan accounts £	Total £
Balance at 1 January 2014		9,000	180,136,547	180,145,547
Year ended 31 December 2014:				
Total comprehensive income for the year		-	63,376,923	63,376,923
Repaid during the year		-	(60,100,001)	(60,100,001)
Balance at 31 December 2014		9,000	183,413,469	183,422,469
Year ended 31 December 2015:				
Total comprehensive income for the year		-	109,958,057	109,958,057
Repaid during the year	8	-	(172,440,427)	(172,440,427)
Balance at 31 December 2015		9,000	120,931,099	120,940,099

Argent King's Cross Limited Partnership

Cash flow statement for the year ended 31 December 2015

	Notes	2015 £	2014 £
Cash flow from operating activity			
Operating (loss)/profit		(159,536)	46,549,659
Movement on debtors	6	10,785,072	(26,617,561)
Movement on creditors	7	4,523	185
Net cash inflow from operating activities		<u>10,630,059</u>	<u>19,932,283</u>
Cash flow from capital expenditure and financial investment			
Proceeds from part disposal of investment	3	149,362,899	-
Repayment of advances	5	13,806,146	40,167,462
Net cash inflow from capital expenditure and financial investment		<u>163,169,045</u>	<u>40,167,462</u>
Cash flow from financing activities			
Interest paid		(253)	(40)
Repayment of Partner Advances	8	(172,440,427)	(60,100,001)
Net cash (outflow) from financing activities		<u>(172,440,680)</u>	<u>(60,100,041)</u>
Increase/(decrease) in cash and cash equivalents		1,358,424	(296)
Opening cash		<u>5</u>	<u>301</u>
Closing cash		<u><u>1,358,429</u></u>	<u><u>5</u></u>



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Argent King's Cross Limited Partnership

Notes to the financial statements for the year ended 31 December 2015

1. Accounting policies

Limited Partnership information

Argent King's Cross Limited Partnership is a Limited Partnership domiciled and registered in England and Wales. The registered office is 4 Stable Street, London, N1C 4AB.

Accounting convention

These financial statements for the year ended 31 December 2015 are the first financial statements of Argent King's Cross Limited Partnership prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 January 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 13.

The financial statements are prepared in sterling, which is the functional currency of the Limited Partnership. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, with the exception of the advances to KCCLP, which are held at fair value. The principal accounting policies adopted are set out below.

Investment in associate

The investment in associate represents a 32.3% (2014: 50%) share of the units in King's Cross Central Property Trust and the associated 32.3% (2014: 50%) investment in the King's Cross Central General Partner Limited. This has been recognised at cost less provision for impairment, in line with section 14 of FRS 102.

Debtors due in more than one year

Debtors due in more than one year relate to advances made to King's Cross Central Limited Partnership, which carry zero interest and are due for repayment in December 2020. These advances are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, these are stated at amortised cost using the effective interest method.

Debtors and creditors

Debtors are initially held at historic cost and subsequently at cost less any provisions. Provisions for debtors are made where it is established that there is objective evidence that the Partnership will not be able to collect all amounts due according to the original terms of the receivable. The provision is recognised in the profit and loss account.

Creditors are recognised at historic cost.

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.

Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the General Partner is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The General Partner believes the only judgements that have a significant effect on the amounts recognised in the financial statements are the advances made to, and the investment in, KCCLP. The advances stated in the financial statements have been discounted at an assumed market rate of 7%, with the difference between the actual amount and discounted amount being added to the cost of the investment in associate.

Argent King's Cross Limited Partnership

Notes to the financial statements (continued) for the year ended 31 December 2015

2. (Loss)/profit on ordinary activities

	2015 £	2014 £
Operating (loss)/profit is stated after charging		
Auditor's remuneration – audit of the Partnership's accounts	10,523	6,365
Non-audit services	128,500	-

3. Profit from part disposal of investment

	2015 £	2014 £
Consideration	151,431,635	-
Cost of units sold	(31,610,943)	-
Other costs	(2,068,735)	-
Profit on part disposal of investment	117,751,957	-

On 16 April 2015, the Partnership part disposed of the units held in the King's Cross Central Property Trust, generating a profit of £117.8 million. This consisted of consideration of £151.4 million received in relation to the units disposed, offset against the costs of the units of £31.6 million and other costs in relation to legal and other transaction fees incurred of £2.1 million.

All cash from this transaction has been received by the date of the signing of the financial statements.

4. Investment in associate

	King's Cross investment £
As at 1 January 2015	128,595,405
Disposals	(31,610,943)
Release of capital contribution	(13,476,476)
As at 31 December 2015	83,507,986

During the year, the Limited Partnership part disposed of its units in King's Cross Central Property Trust, reducing its investment in the King's Cross Central Property Trust to 32.3% (2014: 50%).

Entity name	Country of incorporation	Proportion of shares held
King's Cross Central Property Trust	Jersey	32.3%

Argent King's Cross Limited Partnership
**Notes to the financial statements (continued)
for the year ended 31 December 2015**
5. Debtors due in more than one year

	2015 £	2014 £
Advances:		
Opening at 1 January	26,249,175	49,589,333
Unwind of interest	5,842,365	16,827,304
Repayment of advances	(13,806,145)	(40,167,462)
	<u>18,285,395</u>	<u>26,249,175</u>

Due to the transition to FRS 102, the advances have been revalued to fair value, in accordance with the financial reporting requirements. Each year until maturity, the advances will be increased so at their maturity in December 2020, the value held in the balance sheet will have accreted to their face value amount receivable of £25,568,855. Should the advances be redeemed prior to December 2020, the amount receivable will be £25,568,855 irrespective of the date of repayment.

6 Debtors

	2015 £	2014 £
Due from Argent (King's Cross) Limited	15,646,351	26,734,244
Due from Argent King's Cross GP Limited	1,848,963	1,849,005
Other debtors	303,863	1,000
	<u>17,799,177</u>	<u>28,584,249</u>

Amounts due from Argent (King's Cross) Limited and Argent King's Cross GP Limited are repayable on demand and carry no interest.

7. Creditors: amounts falling due within one year

	2015 £	2014 £
Accruals	10,888	6,365
	<u>10,888</u>	<u>6,365</u>



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Argent King's Cross Limited Partnership

Notes to the financial statements (continued) for the year ended 31 December 2015

8. Loans and other amounts due to Partners

	General reserve £	Fund Trustees Limited £	Argent King's Cross GP Limited £	Argent Invest- ments LLP £	MIFPX Limited £	PGPKX Limited £	RNMKX Limited £	DJGPKX Limited £	AJGKX Limited £	STKX Limited £	GJTKX Limited £	AJSPKA Limited £	RMEKX Limited £	ACKX Limited £	Total £
Capital accounts															
At 1 January and 31 December 2015	-	7,400	1,000	76	70	130	76	76	38	10	10	38	38	38	9,000
Loan accounts															
At 1 January 2015	25,308,961	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	183,413,469
Reallocate b/f profits	-	(28,107,760)	-	3,654,009	3,246,446	6,029,115	3,560,316	3,560,316	1,780,158	468,463	468,463	1,780,158	1,780,158	1,780,158	-
Transfer from current accounts	(7,634,111)	99,854,085	919,516	1,648,770	907,845	1,685,999	2,740,981	2,102,356	1,370,491	1,284,983	1,284,983	1,370,491	1,051,177	1,370,491	109,958,057
Repaid during the year	-	(149,992,472)	-	(2,237,163)	(1,217,700)	(1,783,933)	(3,747,919)	(2,865,178)	(1,873,959)	(1,770,798)	(1,770,798)	(1,873,959)	(1,432,589)	(1,873,959)	(172,440,427)
At 31 December 2015	17,674,850	73,861,832	916,045	3,825,616	3,636,591	7,231,181	3,313,378	3,557,494	1,656,690	82,648	82,648	1,656,690	1,778,746	1,656,690	120,931,099
Current accounts															
At 1 January 2015	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net result for the year	(7,634,111)	99,854,085	919,516	1,648,770	907,845	1,685,999	2,740,981	2,102,356	1,370,491	1,284,983	1,284,983	1,370,491	1,051,177	1,370,491	109,958,057
Transfer to loan accounts	7,634,111	(99,854,085)	(919,516)	(1,648,770)	(907,845)	(1,685,999)	(2,740,981)	(2,102,356)	(1,370,491)	(1,284,983)	(1,284,983)	(1,370,491)	(1,051,177)	(1,370,491)	(109,958,057)
At 31 December 2015	17,674,850	73,869,232	917,045	3,825,692	3,636,661	7,231,311	3,313,454	3,557,570	1,656,728	82,658	82,658	1,656,728	1,778,784	1,656,728	120,940,099

Argent King's Cross Limited Partnership

Notes to the financial statements (continued) for the year ended 31 December 2015

9 Related parties

Argent King's Cross Limited Partnership has a 32.3% interest (2014: 50%) 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 £1,848,963 (2014: £1,849,005) from Argent King's Cross GP Limited in relation to a loan.

The Partnership is owed £15,646,351 (2014: £26,734,244) from Argent (King's Cross) Limited in relation to unpaid performance fees.

10. 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.

11. 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.

12. Partners and staff

None of the Partners during the year received any remuneration or other emoluments in respect of their services to the Partnership (2014: £nil), with the exception of their share of Partnership profits (as disclosed in note 8). The Partnership did not employ any staff during the year or preceding year.



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Argent King's Cross Limited Partnership

Notes to the financial statements (continued) for the year ended 31 December 2015

13. Reconciliations on adoption of FRS 102

Reconciliation of the General Partner's interests

Notes	At 1 January 2014			At 31 December 2014		
	Previous UK GAAP	Effect of transition	FRS 102	Previous UK GAAP	Effect of transition	FRS 102
	£	£	£	£	£	£
Non-current assets						
Investment	169,703,081	(41,107,676)	128,595,405	129,535,619	(940,214)	128,595,405
Debtors due after one year	-	49,589,333	49,589,333	-	26,249,175	26,249,175
	<u>169,703,081</u>	<u>8,481,657</u>	<u>178,184,738</u>	<u>129,535,619</u>	<u>25,308,961</u>	<u>154,844,580</u>
Current assets						
Debtors	1,966,688	-	1,966,688	28,584,249	-	28,584,249
Bank and cash	301	-	301	5	-	5
	<u>1,966,989</u>	<u>-</u>	<u>1,966,989</u>	<u>28,584,254</u>	<u>-</u>	<u>28,584,254</u>
Creditors due within one year						
Other creditors	(6,180)	-	(6,180)	(6,365)	-	(6,365)
Net current assets	<u>1,960,809</u>	<u>-</u>	<u>1,960,809</u>	<u>28,577,889</u>	<u>-</u>	<u>28,577,889</u>
Net assets	<u>171,663,890</u>	<u>8,481,657</u>	<u>180,145,547</u>	<u>158,113,508</u>	<u>25,308,961</u>	<u>183,422,469</u>
Capital and reserves						
Capital accounts	9,000	-	9,000	9,000	-	9,000
Loan accounts	<u>171,654,890</u>	<u>8,481,657</u>	<u>180,136,547</u>	<u>158,104,508</u>	<u>25,308,961</u>	<u>183,413,469</u>
Total General Partner's interests	<u>171,663,890</u>	<u>8,481,657</u>	<u>180,145,547</u>	<u>158,113,508</u>	<u>25,308,961</u>	<u>183,422,469</u>

Notes to reconciliations on adoption of FRS 102

(i) Fair value adjustment to advances

FRS 102 requires that a complex financial instrument, which the funding provided to KCCLP meets the definition of, is accounted for in line with Section 12. This requires the instrument to be fair valued at the reporting date, and for each subsequent reporting date going forward.

The effect of this is to decrease the investment as at 1 January 2014 by £41,107,676, increase debtors due after one year by £49,589,333 and increase the partner loan accounts by £8,481,657. As at 31 December 2014, the investment has decreased by £940,214, the debtor due after one year increased by £26,249,175 and the partner loan accounts increased by £25,308,961.

Argent King's Cross Limited Partnership

Notes to the financial statements (continued) for the year ended 31 December 2015

13. Reconciliations on adoption of FRS 102 (continued)

Reconciliation of profit or loss for the year

	Notes	Year ended 31 December 2014		
		Previous UK GAAP	Effect of transition	FRS 102
		£	£	£
Turnover		46,556,237	-	46,556,237
Administrative expenses		(6,578)	-	(6,578)
Unwind of interest on advances		-	16,827,304	16,827,304
Interest payable and similar charges		(40)	-	(40)
Profit for the financial year		<u>46,549,619</u>	<u>16,827,304</u>	<u>63,376,923</u>

Notes to reconciliations on adoption of FRS 102

(n) Fair value adjustment to advances

FRS 102 requires that a complex financial instrument, which the funding provided to KCCLP meets the definition of, is accounted for in line with Section 12. This requires the instrument to be fair valued at the reporting date, and for each subsequent reporting date going forward.

The effect of this is to increase the profit for the year to 31 December 2014 by £16,827,304.