



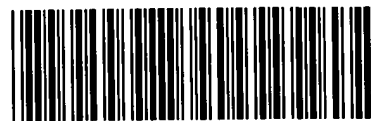
**ARGENT**

**Company Registration No. 06450780**

**AKXGP Limited**  
**(formerly Argent King's Cross GP Limited)**

**Directors' Report and Consolidated Financial Statements**  
**Year ended 31 December 2019**

THURSDAY



\*A9XMIBBL\*

A14

04/02/2021

#347

COMPANIES HOUSE



ARGENT

## **AKXGP Limited**

### **Report and consolidated financial statements 2019**

<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 to the members of AKXGP Limited</b>	<b>4</b>
<b>Consolidated profit and loss account</b>	<b>6</b>
<b>Consolidated balance sheet</b>	<b>7</b>
<b>Company balance sheet</b>	<b>8</b>
<b>Consolidated and Company statement of changes in equity</b>	<b>9</b>
<b>Consolidated cash flow statement</b>	<b>10</b>
<b>Company cash flow statement</b>	<b>11</b>
<b>Notes to the financial statements</b>	<b>12</b>



ARGENT

## AKXGP Limited

### Directors' report

The directors present their report and the audited consolidated financial statements for the year ended 31 December 2019 for AKXGP Limited ("the Company"), formerly Argent King's Cross GP Limited having changed its name on 19 February 2020, a private company limited by shares and "the Group", consisting of the Company, Argent (King's Cross) Limited ("AKXL") and Argent King's Cross Nominee Limited.

The financial statements have been prepared in compliance with Financial Reporting Standard 102 (FRS 102) as detailed in note 1 to the financial statements.

#### Principal activities

The Company's principal activity was to act as the General Partner for the Argent King's Cross Limited Partnership (LP012725) but ceased to act as General Partner on 24 February 2020 and to provide funding to AKXL (Company Reg. No. 03965242).

On 24 February 2020, the business, assets and liabilities of the Company were transferred to Argent King's Cross GP LLP as agreed in the Business Transfer Agreement. As of 24 February 2020 the Company had ceased to trade and the members intend to wind up the Company after the reporting date.

#### Dividends

No dividend was paid during the current or preceding year.

#### Directors and their interests

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

E C Bird	<i>(appointed 11 February 2019)</i>
C R A Darroch	
*R M Evans	<i>(resigned 24 February 2020)</i>
*M I Freeman	<i>(resigned 24 February 2020)</i>
*P G Freeman	<i>(resigned 24 February 2020)</i>
*A Gibbs	<i>(resigned 24 February 2020)</i>
*D J G Partridge	<i>(resigned 24 February 2020)</i>
J H E Thompson	
J G M Wates	
M B Lightbound	<i>(appointed 17 March 2020)</i>

As at 31 December 2019, the individuals marked with an asterisk above held shares in the Company.

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 the auditor

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

- so far that they are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- as a director they have taken all steps that ought to have been taken in order to make themselves 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 assessed the Company's ability to continue as a going concern and have determined that, as they intend to liquidate the Company after the reporting date, it is not appropriate to continue to prepare the financial statements of the Company on a going concern basis.

The financial statements have therefore been prepared on a basis other than going concern.



ARGENT

## AKXGP Limited

### Directors' report

#### Political and charitable contributions

The Group made no political contributions or charitable donations during the current or preceeding year.

#### Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

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

DocuSigned by:  
  
5CFEC25DB23F494...  
**M B Lightbound**  
Director

**25 January**  
..... 2021  
4 Stable Street, London N1C 4AB



ARGENT

## AKXGP Limited

### Strategic report

The Company was the General Partner for Argent King's Cross Limited Partnership ("the Limited Partnership").

The Company ceased to act as the General Partner for the Limited Partnership on 24 February 2020, which has an indirect interest in King's Cross Central Limited Partnership ("KCCLP"). KCCLP's principal activity is the development of and investment in the King's Cross mixed use scheme between and to the north of St Pancras International and King's Cross Stations. The directors expect the Company to continue this activity for the foreseeable future.

There exists a management agreement between the Company and AKXL, under which the Company is entitled to certain fees arising in connection with AKXL's provision of development and asset management services to KCCLP, payable via the Limited Partner, per the Limited Partnership Agreement.

### Results and distributions

The result for the year is shown on page 6; during the year, the Group made a loss after tax of £14,018 (2018: profit restated £106,245) and the Company made a profit after tax of £2,588 (2018: £56,347).

### Key Performance Indicators ("KPIs")

The following KPIs are used by management to monitor Company:

	Group		Company	
	2019	2018 (restated)	2019	2018
	£	£	£	£
(Loss)/Profit after tax for the year	(14,018)	106,245	2,588	56,347
Net assets	263,502	277,520	175,150	172,562

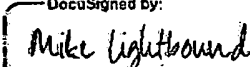
### Financial risk management

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 Group. The directors continue to monitor the economic market for fluctuations which drives the Group's decisions and policy.

### Risk identification and management

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

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

DocuSigned by:  
  
 5CFEC25D023F494...  
**M B Lightbound**  
 Director

25 January

..... 2021



ARGENT

## **AKXGP Limited**

### **Statement of directors' responsibilities in respect of the Strategic report, the Directors' report and the financial statements**

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), 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 judgements and 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so (as explained in note 1, the directors do not believe that it is appropriate to prepare these financial statements on a going concern basis).

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

## **Independent auditor's report to the members of AKXGP Limited**

### **Opinion**

We have audited the financial statements of AKX GP Limited ("the company") for the year ended 31 December 2019 which comprise the Consolidated profit and loss account, the Consolidated balance sheet, the Company balance sheet, the Consolidated statement of changes in equity, the Company statement of changes in equity, the Consolidated cash flow statement, the Company cash flow statement and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2019 and of the group's profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### **Emphasis of matter - non-going concern basis of preparation**

We draw attention to the disclosure made in note 1 to the financial statements which explains that the financial statements are now not prepared on the going concern basis for the reason set out in that note. Our opinion is not modified in respect of this matter.

### **Strategic report and directors' report**

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

### **Directors' responsibilities**

## **Independent auditor's report to the members of AKXGP Limited**

As explained more fully in their statement set out on page 3, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

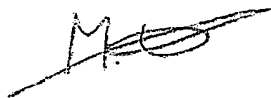
### **Auditor's responsibilities**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

### **The purpose of our audit work and to whom we owe our responsibilities**

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.



**Matthew Williams (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
**15 Canada Square**  
**E14 5GL**

**27 January 2021**





ARGENT

## AKXGP Limited

### Consolidated profit and loss account for the year ended 31 December 2019

	Note	2019 £	2018 (restated) £
Turnover		28,451,077	57,464,750
Cost of sales		(28,414,364)	(57,352,523)
<b>Gross profit</b>		<b>36,713</b>	<b>112,227</b>
Administrative expenses		(89,691)	(21,549)
Other income		5,000	5,000
<b>Operating (loss)/profit</b>	<b>3</b>	<b>(47,978)</b>	<b>95,678</b>
Interest receivable		33,548	36,031
<b>(Loss)/Profit on ordinary activities before taxation</b>		<b>(14,430)</b>	<b>131,709</b>
Tax credit/(charge) on profit on ordinary activities	<b>4</b>	412	(25,464)
<b>(Loss)/Profit for the financial year</b>		<b>(14,018)</b>	<b>106,245</b>

The notes set out on pages 12 to 19 form part of these financial statements.

All amounts derive from a basis that all operations are discontinued operations.

The Group had no Other Comprehensive Income so the (loss)/profit for the current and preceding year represent Total Comprehensive Income.

Please see note 12 for details of the prior year restatement.



ARGENT

**AKXGP Limited**
**Consolidated balance sheet  
for the year ended 31 December 2019**

	Note	2019 £	2018 (restated) £
<b>Current assets</b>			
Debtors	6	12,124,413	14,651,660
Cash at bank		2,109,895	5,153,736
		<u>14,234,308</u>	<u>19,805,396</u>
<b>Creditors: amounts falling due within one year</b>	7	(13,970,806)	(19,527,876)
<b>Net assets</b>		<u>263,502</u>	<u>277,520</u>
<b>Capital and reserves</b>			
Called up share capital	8	1,000	1,000
Profit and loss account		262,502	276,520
<b>Shareholders' funds</b>		<u>263,502</u>	<u>277,520</u>

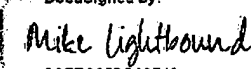
The notes set out on pages 12 to 19 form part of these financial statements.

Please see note 12 for details of the prior year restatement.

These financial statements (Company Reg No. 06450780) were approved by the Board of Directors on

25 January..... 2021.

Signed on behalf of the Board of Directors

DocuSigned by:  
  
 SCFEC25D023F494...  
**M B Lightbound**  
 Director



ARGENT

# AKXGP Limited

## Company balance sheet as at 31 December 2019

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Investments	5	-	101
<b>Current assets</b>			
Debtors	6	944,321	934,516
Investments	5	101	-
		<u>944,422</u>	<u>934,617</u>
<b>Creditors: amounts falling due within one year</b>	7	(769,272)	(762,055)
<b>Net current assets</b>		<u>175,150</u>	<u>172,562</u>
<b>Net assets</b>		<u>175,150</u>	<u>172,562</u>
<b>Capital and reserves</b>			
Called up share capital	8	1,000	1,000
Profit and loss account		<u>174,150</u>	<u>171,562</u>
<b>Shareholders' funds</b>		<u>175,150</u>	<u>172,562</u>

The notes set out on pages 12 to 19 form part of these financial statements.

These financial statements (Company Reg No. 06450780) were approved by the Board of Directors on

25 January..... 2021.

Signed on behalf of the Board of Directors

DocuSigned by:  
  
 50FEC25DD023F494...  
**MB Lightbound**  
 Director



ARGENT

## AKXGP Limited

### Consolidated statement of changes in equity for the year ended 31 December 2019

	Called up share capital £	Profit and loss account £	Total £
Balance at 1 January 2018 (as previously stated)	1,000	197,701	198,701
Prior year adjustment		(27,426)	(27,426)
Balance at 1 January 2018 (as restated)	1,000	170,275	171,275
Year ended 31 December 2018:			
Profit for the financial year (as restated)	-	106,245	106,245
Balance at 31 December 2018 (as restated)	1,000	276,520	277,520
Year ended 31 December 2019:			
(Loss) for the financial year	-	(14,018)	(14,018)
Balance at 31 December 2019	1,000	262,502	263,502

The notes set out on pages 12 to 19 form part of these financial statements.

Please see note 12 for details of the prior year restatement.

### Company statement of changes in equity for the year ended 31 December 2019

	Called up share capital £	Profit and loss account £	Total £
Balance at 1 January 2018	1,000	115,215	116,215
Year ended 31 December 2018:			
Profit for the financial year	-	56,347	56,347
Balance at 31 December 2018	1,000	171,562	172,562
Year ended 31 December 2019:			
Profit for the financial year	-	2,588	2,588
Balance at 31 December 2019	1,000	174,150	175,150

The notes set out on pages 12 to 19 form part of these financial statements.



ARGENT

## AKXGP Limited

### Consolidated cash flow statement for the year ended 31 December 2019

	Notes	2019 £	2018 (restated) £
<b>Cash flow from operating activities</b>			
Operating (loss)/profit		(47,978)	95,678
Decrease in debtors	6	2,527,247	6,353,630
(Decrease) in creditors	7	(5,537,675)	(15,227,590)
Taxation		(18,983)	(180)
<b>Net cash (outflow) from operating activities</b>		<b>(3,077,389)</b>	<b>(8,778,462)</b>
<b>Cash flow from financing activities</b>			
Interest received		33,548	36,031
<b>Net cash inflow from financing activities</b>		<b>33,548</b>	<b>36,031</b>
<b>(Decrease) in cash and cash equivalents</b>		<b>(3,043,841)</b>	<b>(8,742,431)</b>
Opening cash at 1 January		5,153,736	13,896,167
<b>Closing cash at 31 December</b>		<b>2,109,895</b>	<b>5,153,736</b>

The notes set out on pages 12 to 19 form part of these financial statements.

Please see note 12 for details of the prior year restatement.



ARGENT

## AKXGP Limited

### Company cash flow statement for the year ended 31 December 2019

	Notes	2019 £	2018 £
<b>Cash flow from operating activities</b>			
Operating profit		2,588	69,990
(Increase)/decrease in debtors	6	(9,805)	1,041,084
Increase/(decrease) in creditors	7	7,217	(1,111,074)
<b>Net cash outflow from operating activities</b>		-	-
<b>Cash flow from financing activities</b>			
Interest received		-	-
<b>Net cash inflow from financing activities</b>		-	-
<b>Decrease in cash and cash equivalents</b>		-	-
Opening cash at 1 January		-	-
<b>Closing cash at 31 December</b>		-	-

The notes set out on pages 12 to 19 form part of these financial statements.



ARGENT

## AKXGP Limited

### Notes to the financial statements for the year ended 31 December 2019

#### 1. Accounting policies

AKXGP Limited (formerly Argent King's Cross GP Limited) is a Company incorporated in the United Kingdom under the Companies Act 2006. 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 consolidated financial statements are prepared in sterling, which is the functional currency of the Company and the presentational currency of the Group. Monetary amounts in these financial statements are rounded to the nearest £.

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "FRS 102" and the requirements of the Companies Act 2006.

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

##### Basis of consolidation

AKXL and Argent King's Cross Nominee Limited are controlled by the Company (see note 5). Control exists when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable. The acquisition date is the date on which control is transferred to the acquirer. The accounts of a subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies have been consistently applied to the results, assets and liabilities of the Group and Company.

The Group has taken the exemption under section 408 of the Companies Act 2006 not to prepare a Company profit and loss. The Company made a profit after tax for the year of £2,588 (2018: £56,347).

##### Going concern

The directors have assessed the Company's and the Group's ability to continue as a going concern and have determined that, as they intend to liquidate the Company after the reporting date (as explained in the Directors' report on page 1), it is not appropriate to continue to prepare the financial statements of the Company and the Group on a going concern basis.

On 24 February 2020, the business, assets and liabilities of the Company were transferred to Argent King's Cross GP LLP as agreed in the Business Transfer Agreement. The assets and liabilities of the subsidiary company (AKXL) in the consolidated financial statements are accounted for on a measurement and asset-classification basis reflecting the fact that they are also to be transferred as a going concern at that time.

In relation to the Company's balance sheet, all assets are stated at their recoverable amounts, all assets and liabilities are presented as current.

In the prior year, the financial statements of the Company and the Group were prepared on the going concern basis. There is no effect on comparatives from this change in basis of preparation.

##### Taxation

UK corporation tax is provided at amounts expected to be paid (or recovered) using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax at a future date, at rates expected to apply when they crystallise based on current tax rates and laws. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

##### Investments

The Company recognises its investments at cost less any accumulated impairment losses.



## AKXGP Limited

### Notes to the financial statements (continued) for the year ended 31 December 2019

#### 1 Accounting policies (continued)

##### Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in profit or loss.

##### Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

##### Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

##### Classification of financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

##### Turnover

Turnover represents asset and development management fees, performance fees and milestone fees, together with interest on unpaid amounts) recognised by the Company in respect of services supplied.

Fees are recognised when the service has been provided. Interest is recognised on an effective interest rate basis. However, turnover is only recognised if it is sufficiently certain that the income will be received.

Turnover relates entirely to operations in the United Kingdom.

Other income represents entitlements to a priority profit share from the Limited Partner of £5,000 per year.





## AKXGP Limited

### Notes to the financial statements (continued) for the year ended 31 December 2019

#### 1 Accounting policies (continued)

##### Judgements and key sources of estimation uncertainty (continued)

In the application of the Group'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.

Performance fees from KCCLP are recognised to the extent there is sufficient probability that these will be received. There is currently uncertainty around the timing of the payment of performance fee liability recognised in the financial statements of KCCLP, and which ultimately could result in a lower amount being received by the Group in the event of deteriorating market conditions triggering a clawback provision. To that end, performance fee income is recognised in the Group only to the extent there is certainty it will be received in the current or a future period.

##### Interest receivable

All interest receivable is recognised through the profit and loss account.

#### 2. Directors and staff

None of the directors received any emoluments from the Company (2018: £nil). The Company did not employ any staff during the current or preceding year.

#### 3. Operating profit and turnover

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Operating profit is stated after charging:				
Auditor's remuneration – audit of the Company	-	-	15,000	12,945
Auditor's remuneration – audit of the Group	25,850	22,357	-	-
	<u>25,850</u>	<u>22,357</u>	<u>-</u>	<u>-</u>

##### Turnover

	2019	2018
	£	£
Performance fees and milestone payments	6,647,943	42,233,260
Base and other fees	19,429,239	12,319,715
Interest on unpaid performance fees	2,373,895	2,911,775
	<u>28,451,077</u>	<u>57,464,750</u>



ARGENT

## AKXGP Limited

### Notes to the financial statements (continued) for the year ended 31 December 2019

#### 4. Tax on profit on ordinary activities

##### (a) Analysis of tax charge for the year

	2019	2018 (restated)
	£	£
Current tax		
Current year	(137)	24,987
Prior year adjustment	(275)	477
<b>Tax charge on profit on ordinary activities</b>	<b>(412)</b>	<b>25,464</b>

##### (b) Factors affecting the tax charge for the year

	2019	2018 (restated)
	£	£
(Loss)/Profit on operating activities before tax	(14,430)	131,709
Tax on profit on ordinary activities multiplied by the standard rate of UK corporation tax of 19% (2018: 19%)	(2,741)	25,024
Expenses not deductible for tax purposes	2,604	238
Prior year adjustment	(275)	477
Changes to tax rates	-	(275)
<b>Total tax (credit)/charge</b>	<b>(412)</b>	<b>25,464</b>

As of 31 December 2019, the Group has tax losses of £4,630 (2018: £4,630) that are available for offsetting against future taxable profits. No deferred tax asset has been recognised due to uncertainty in respect of utilisation of the tax losses.

#### 5. Investments

	Company	
	2019	2018
	£	£
Argent King's Cross Nominee Limited	1	1
Argent (King's Cross) Limited	100	100
	<b>101</b>	<b>101</b>

The investment of £1 represents 100% share capital of Argent King's Cross Nominee Limited (Company Reg. No. 06450777), an intermediate holding company, registered in England and Wales. Registered address is 4 Stable Street, London, N1C 4AB.

The investment of £100 represents 100% of the share capital of Argent (King's Cross) Limited (Company Reg. No. 03965242), a company whose principal activity is that of asset and development management for KCCLP, registered in England and Wales. Registered address is 4 Stable Street, London, N1C 4AB.



ARGENT

## AKXGP Limited

### Notes to the financial statements (continued) for the year ended 31 December 2019

#### 6. Debtors

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Trade debtors	726,324	2,813,397	-	-
Profit share due from Argent King's Cross Limited Partnership	939,516	934,516	939,516	934,516
Other debtors	1,000	13,708	4,805	-
Prepayments and accrued income	10,457,573	10,890,039	-	-
	<u>12,124,413</u>	<u>14,651,660</u>	<u>944,321</u>	<u>934,516</u>

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

#### 7. Creditors: amounts falling due within one year

	Group		Company	
	2019	2018	2019	2018
	£	(restated) £	£	£
Trade creditors	307	-	-	-
Amounts due to Argent King's Cross Limited Partnership	11,753,056	14,429,468	748,638	730,931
Corporation tax payable	4,058	23,452	4,469	11,632
VAT payable	144,556	470,369	-	-
Other creditors	-	2,559	1	2,559
Accruals	2,068,829	4,602,028	16,164	16,933
	<u>13,970,806</u>	<u>19,527,876</u>	<u>769,272</u>	<u>762,055</u>

#### 8. Called up share capital

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Issued and allotted				
700 'A' shares of £1 each	700	700	700	700
100 'B' shares of £1 each	100	100	100	100
124 'C' shares of £1 each	124	124	124	124
76 'D' shares of £1 each	76	76	76	76
	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

Holders of 'A' shares have the right to appoint one director. Holders of 'B' and 'C' shares are entitled to be appointed as directors. Holders of 'D' shares do not have the right to be appointed as directors.

#### 9. Related party transactions

AKXL is a wholly owned subsidiary of the Company and they have all directors in common. The Company also has directors in common with King's Cross Central General Partner Limited ("KCCGP"), being D J Partridge, R M Evans P G Freeman and M B Lightbound. The Chairman of the Company's board is ultimately empowered to determine decisions of the board in the event that unanimity is not achieved. In addition, certain of the company's directors, R



ARGENT

## AKXGP Limited

### Notes to the financial statements (continued) for the year ended 31 December 2019

#### 9. Related party transactions (continued)

M Evans, M I Freeman, P G Freeman, A Gibbs, D J G Partridge and M B Lightbound, are also indirect partners in the Limited Partnership, which is a unitholder in King's Cross Central Property Trust, the sole limited partner of KCCLP. BT Pension Scheme is the ultimate majority investor in the Company and the Limited Partnership.

During the year, management fees, performance fees and milestone payments of £18,048,093 (2018: £56,189,633) accrued from KCCLP to AKXL under the Asset Management Agreement. This figure is included within the Group's turnover figure. A balance of £6,032,014 was outstanding at 31 December 2019 (2018: £12,772,618) in respect of fees, included within the Group's trade debtors and accrued income balance (note 6).

Interest accrued on the performance fee payable from KCCLP totalling £2,367,989 (2018: £2,904,531) during the year ended 31 December 2019. Of this amount, £4,438,512 (2018: £2,070,423) was outstanding at the year end. This balance is disclosed in the Group trade debtors and accrued income figure (note 6).

During the year, Argent (Property Development) Services LLP ("ASLLP") charged fees to AKXL of £18,217,183 (2018 restated: £16,704,317) under the services agreement that exists between these two entities. This figure is included in the Group's cost of sales figure. At the year-end, ASLLP is owed £615,975 (2018 restated: £4,145,887) in respect of these fees, included in the Group's accruals balance (note 7).

During the year, the Limited Partnership charged fees of £8,987,129 (2018: £36,684,052) to AKXL in accordance with the management agreement (see Strategic Report for further details). This balance is included in cost of sales in the profit and loss account. At the year-end, the Group owed £11,004,418 (2018 restated: £13,698,537) in relation to these fees. This balance is disclosed in the Group's trade creditors and accruals balance (note 7).

Interest accrued on the performance fee payable to the Limited Partnership totalling £2,362,169 (2018: £2,897,270) during the year. Of this amount, £4,427,416 (2018: £2,065,247) was outstanding at the year end. These amounts are included in the Group's trade creditors and accruals balance (note 7).

The Company owed the Limited Partnership £748,638 at 31 December 2019 (2018: £730,931), in relation to historic funding received from Argent Group Limited. This balance is disclosed within creditors (note 7). At 31 December 2019, the Company was owed £939,516 (2018: £934,516) from the Limited Partnership in relation to a distribution receivable from the Limited Partnership (see note 6).

During the year, the Group directly invoiced King's Cross Estate Services ("KCES") and KC Green Limited Partnership ("KC Green"), both of which are 100% subsidiaries of KCCLP. The Group billed KCES £1,299,918 (2018: £1,193,181) in relation to estate and building management fees. At the year-end, the Group was owed £389,975 (2018: £16,863) in relation to these fees. This balance is disclosed in the Group trade debtors and accrued income balance (note 6).

The Group billed KC Green £6,722,793 (2018: £715,897) in relation to Development Management fees. At the year-end, the Group was owed £323,395 (2018: £744,730) in relation to these fees. This balance is disclosed in the Group trade debtors and accrued income (note 6).

#### 10. Ultimate controlling party

The Britel Fund Nominees Limited is the immediate parent undertaking of the Company, which is registered in England and Wales. The Company's is ultimately controlled by and majority owned by the BT Pension Scheme, registered address: 150 Cheapside, London, EC2V 6ET.

#### 11. Events after reporting date

Since early 2020, the outbreak of coronavirus, which is a rapidly evolving situation, has adversely impacted global commercial activities. The rapid development and fluidity of this situation precludes any prediction as its ultimate impact, which may have a continued adverse impact on economic and market conditions and trigger a period of global economic slowdown.

The extent of any possible impact on the carrying value of assets and liabilities in the period since 31 December 2019 cannot currently be determined.

However, the directors do not believe there is any financial impact on the financial statements as at 31 December 2019 as a result of this non-adjusting subsequent event.



## AKXGP Limited

### Notes to the financial statements (continued) for the year ended 31 December 2019

#### 12 Prior year restatement

The restatement impacts the Group consolidated accounts only and there is no impact on the Company only results.

When preparing the consolidated financial statements, the directors identified:

- the performance fee due to AKXLP was not calculated correctly in accordance with the Asset Management Agreement in 2016. This resulted in an overstatement of Creditors: amounts falling due within one year (due to Argent King's Cross Limited Partnership) by £323,366 and an understatement of the profit and loss account by the same amount as at both 1 January and 31 December 2018. The directors have therefore restated the comparative amounts in these financial statements by decreasing Creditors: amounts falling due within one year (due to Argent King's Cross Limited Partnership) and increasing the profit and loss account by the same amount as at 1 January and 31 December 2018.
- that fees payable by AKXL were not recognised in the same year as the corresponding revenue in 2017 and 2018, which resulted in cost of sales and Creditors: amounts falling due within one year being understated. The directors have therefore restated the comparative amounts in the financial statements by:
  - (1) decreasing the profit and loss account by £350,792 to reflect the cumulative catch up and increasing Creditors: amounts falling due within one year by the same amount as at both 1 January and 31 December 2018; and
  - (2) increasing cost of sales in the year ended 31 December 2018 by £1,252 and further increasing Creditors: amounts falling due within one year (Accruals) by the same amount as at 31 December 2018.

There was no impact on net cash (outflow) from operating activities or net decrease in cash reported in the year ended 31 December 2018.

The cumulative impact of these restatements on the consolidated financial statements is as follows:

	Called up share capital £	Profit and loss account £	Total £
Balance at 1 January 2018 (as reported)	1,000	197,701	198,701
Restatement	-	(27,426)	(27,426)
Balance at 1 January 2018 (as restated)	1,000	170,275	171,275
Balance at 31 December 2018 (as reported)	1,000	305,198	306,198
Restatement	-	(28,678)	(28,678)
Balance at 31 December 2018 (as restated)	1,000	276,520	277,520



## AKXGP Limited

### Notes to the financial statements (continued) for the year ended 31 December 2019

#### 12 Prior year restatement (continued)

##### Consolidated Profit and loss account

		2018 (as previously reported) £	2018 (restated) £
Turnover		57,464,750	57,464,750
Cost of sales		(57,351,271)	(57,352,523)
<b>Gross profit</b>		<b>113,479</b>	<b>112,227</b>
Administrative expenses		(21,549)	(21,549)
Other income		5,000	5,000
<b>Operating (loss)/profit</b>	<b>3</b>	<b>96,930</b>	<b>95,678</b>
Interest receivable		36,031	36,031
<b>(Loss)/Profit on ordinary activities before taxation</b>		<b>132,961</b>	<b>131,709</b>
Tax (charge) on profit on ordinary activities	<b>4</b>	(25,464)	(25,464)
<b>(Loss)/Profit for the financial year</b>		<b>107,497</b>	<b>106,245</b>

##### Consolidated Balance sheet

		2018 (as previously reported) £	2018 (restated) £
<b>Current assets</b>			
Debtors	<b>6</b>	14,651,660	14,651,660
Cash at bank		5,153,736	5,153,736
		<b>19,805,396</b>	<b>19,805,396</b>
<b>Creditors: amounts falling due within one year</b>	<b>7</b>	<b>(19,499,198)</b>	<b>(19,527,876)</b>
<b>Net assets</b>		<b>306,198</b>	<b>277,520</b>