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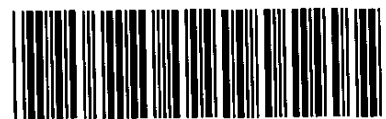
Company Registration No. 06450780

Argent King's Cross GP Limited

Directors' Report and Consolidated Financial Statements

Year ended 31 December 2017

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Argent King's Cross GP Limited

Report and consolidated financial statements 2017

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Argent King's Cross GP Limited

Directors' report

The directors present their report and the audited consolidated financial statements for the year ended 31 December 2017 for Argent King's Cross GP Limited ("the Company"), 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) on the going concern basis, as detailed in note 11 to the financial statements.

Principal activities

The Company's principal activity is to act as the General Partner for the Argent King's Cross Limited Partnership (LP012725) and to provide funding to AKXL (Company Reg. No. 03965242). The directors do not anticipate any change to these activities going forward.

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:

C R A Darroch	<i>(appointed 1 January 2017)</i>
*R M Evans	
*M I Freeman	
*P G Freeman	
*A Gibbs	
D L Grose	<i>(resigned 1 January 2017)</i>
N E V Jenkins	<i>(appointed 1 January 2017, resigned 4 May 2018)</i>
*D J G Partridge	
C M Taylor	<i>(resigned 1 January 2017)</i>
J H E Thompson	
J G M Wates	
K A Wilman	<i>(appointed 6 June 2018)</i>

As at 31 December 2017, 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 a reasonable expectation that the Company has adequate resources to continue to trade for the foreseeable future. Accordingly, as detailed in note 11 to the financial statements, the directors continue to adopt a going concern basis in preparing the annual report and financial statements.

Political and charitable contributions

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



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Argent King's Cross GP Limited

Directors' report (continued)

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

R M Evans
Director

25 September 2018
4 Stable Street, London N1C 4AB



Argent King's Cross GP Limited

Strategic report

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

The Company has continued to act as the General Partner for the Limited Partnership, 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 7; during the year, the Group made a profit after tax of £17,134 (2016: £18,360) and the Company made a profit after tax of £14,504 (2016: loss of £67,904).

KPIs

The following KPIs are used by management to monitor the Group and Company:

	Group		Company	
	2017 £	2016 £	2017 £	2016 £
Profit/(loss) after tax for the year	17,134	18,360	14,504	(67,904)
Net assets	198,701	181,567	116,215	101,711

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.

Financial 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


R M Evans
Director

..... 25 September 2018



Argent King's Cross GP 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 and 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 group and parent company 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 group and parent company and of their profit or loss for that period. In preparing each of the group and parent company 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 group and parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its 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 group and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of Argent King's Cross GP Limited

Opinion

We have audited the financial statements of Argent King's Cross GP Limited ("the company") for the year ended 31 December 2017 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 2017 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.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

Independent auditor's report to the members of Argent King's Cross GP Limited (continued)

Directors' responsibilities

As explained more fully in their statement set out on page 4, 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.

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.



Bill Holland (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

15 Canada Square

London

E14 5GL

26 September 2018



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Argent King's Cross GP Limited

Consolidated profit and loss account for the year ended 31 December 2017

	Note	2017 £	2016 £
Turnover		20,816,110	30,271,570
Cost of sales		(20,791,315)	(30,230,614)
Gross profit		24,795	40,956
Administrative expenses		(29,315)	(32,143)
Other income		5,000	5,000
Operating profit	3	480	13,813
Interest receivable		12,203	14,889
Profit on ordinary activities before taxation		12,683	28,702
Tax credit/(charge) on profit on ordinary activities	4	4,451	(10,342)
Profit for the financial year		17,134	18,360

All amounts derive from continuing operations.

The Group has no recognised gains or losses other than the profit for the current year and profit for the preceding year, and hence no statement of other comprehensive income has been presented.

The notes set out on pages 13 to 18 form part of these financial statements.



Argent King's Cross GP Limited

Consolidated balance sheet for the year ended 31 December 2017

	Note	2017 £	2016 £
Current assets			
Debtors	6	21,007,121	28,627,113
Cash at bank		13,896,167	3,027,454
		34,903,288	31,654,567
Creditors: amounts falling due within one year	7	(34,704,587)	(31,473,000)
Net assets		<u>198,701</u>	<u>181,567</u>
Capital and reserves			
Called up share capital	8	1,000	1,000
Profit and loss account		197,701	180,567
Shareholders' funds		<u>198,701</u>	<u>181,567</u>

The notes set out on pages 13 to 18 form part of these financial statements.

These financial statements (Company Reg No. 06450780) were approved by the Board of Directors on *25 September*
2018.

Signed on behalf of the Board of Directors

R M Evans
Director



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Argent King's Cross GP Limited

Company balance sheet as at 31 December 2017

	Note	2017 £	2016 £
Fixed assets			
Investments	5	101	101
Current assets			
Debtors	6	1,977,611	1,970,174
Creditors: amounts falling due within one year	7	(1,861,497)	(1,868,564)
Net current assets		116,114	101,610
Net assets		116,215	101,711
Capital and reserves			
Called up share capital	8	1,000	1,000
Profit and loss account		115,215	100,711
Shareholders' funds		116,215	101,711

The notes set out on pages 13 to 18 form part of these financial statements.

These financial statements (Company Reg No. 06450780) were approved by the Board of Directors on 25 September 2018.

Signed on behalf of the Board of Directors

R M Evans
Director

**ARGENT****Argent King's Cross GP Limited****Consolidated statement of changes in equity
for the year ended 31 December 2017**

	Called up share capital	Profit and loss account	Total
	£	£	£
Balance at 1 January 2016	1,000	162,207	163,207
Year ended 31 December 2016:			
Profit for the financial year	-	18,360	18,360
Balance at 31 December 2016	1,000	180,567	181,567
Year ended 31 December 2017:			
Profit for the financial year	-	17,134	17,134
Balance at 31 December 2017	1,000	197,701	198,701

The notes set out on pages 13 to 18 form part of these financial statements.

**Company statement of changes in equity
for the year ended 31 December 2017**

	Called up share capital	Profit and loss account	Total
	£	£	£
Balance at 1 January 2016	1,000	168,615	169,615
Year ended 31 December 2016:			
Loss for the financial year	-	(67,904)	(67,904)
Balance at 31 December 2016	1,000	100,711	101,711
Year ended 31 December 2017:			
Profit for the financial year	-	14,504	14,504
Balance at 31 December 2017	1,000	115,215	116,215

The notes set out on pages 13 to 18 form part of these financial statements.



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Argent King's Cross GP Limited

Consolidated cash flow statement for the year ended 31 December 2017

	Notes	2017 £	2016 £
Cash flow from operating activities			
Operating profit		480	13,813
Decrease/(Increase) in debtors	6	7,621,822	(5,295,015)
Increase in creditors	7	3,234,208	7,331,380
Taxation		-	227,770
Net cash inflow from operating activities		10,856,510	2,277,948
Cash flow from financing activities			
Interest received		12,203	14,889
Net cash inflow from financing activities		12,203	14,889
Increase in cash and cash equivalents		10,868,713	2,292,837
Opening cash at 1 January		3,027,454	734,617
Closing cash at 31 December		13,896,167	3,027,454

The notes set out on pages 13 to 18 form part of these financial statements.



Argent King's Cross GP Limited

Company cash flow statement for the year ended 31 December 2017

	Notes	2017 £	2016 £
Cash flow from operating activities			
Operating profit/(loss)		12,468	(67,879)
(Increase)/decrease in debtors	6	(5,426)	83,568
(Decrease)/increase in creditors	7	(7,067)	9,653
Taxation		-	(25,317)
Net cash (outflow)/inflow from operating activities		(25)	25
Cash flow from financing activities			
Interest received/(paid)		25	(25)
Net cash inflow from financing activities		25	(25)
Increase in cash and cash equivalents		-	-
Opening cash at 1 January		-	-
Closing cash at 31 December		-	-

The notes set out on pages 13 to 18 form part of these financial statements.



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Argent King's Cross GP Limited

Notes to the financial statements for the year ended 31 December 2017

1. Accounting policies

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 not to prepare a Company profit and loss. The Company made a profit after tax for the year of £14,504 (2016: loss of £67,904).

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.

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.

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.



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Argent King's Cross GP Limited

Notes to the financial statements (continued) for the year ended 31 December 2017

1 Accounting policies (continued)

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.

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.

Classification of financial liabilities

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.

Judgements and key sources of estimation uncertainty

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.

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

Turnover and cost of sales

Turnover and cost of sales consists of fees arising in connection with AKXL's provision of development and asset management services to KCCLP under the management agreement in place between the Company, the Limited Partnership and AKXL. This is recognised on an accruals basis.

Other income

The Company is entitled to a priority profit share from the Limited Partner of £5,000 per year.

Interest receivable

All interest receivable is recognised through the profit and loss.



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Argent King's Cross GP Limited

Notes to the financial statements (continued) for the year ended 31 December 2017

2. Directors and staff

None of the directors received any emoluments from the Group (2016: £nil). The Group did not employ any staff during the current or preceding year.

3. Operating profit

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Operating profit is stated after charging:				
Auditor's remuneration – audit of the Company's accounts	-	-	10,500	4,300
Auditor's remuneration – audit of the Group's accounts	17,300	12,000	-	-
	<u>17,300</u>	<u>12,000</u>	<u>-</u>	<u>-</u>

4. Tax on profit on ordinary activities

(a) Analysis of tax charge for the year

	2017	2016
	£	£
Current tax		
Prior year adjustment	(7,041)	7,721
Current year	2,590	2,621
	<u>(4,451)</u>	<u>10,342</u>
Tax charge on profit on ordinary activities	<u>(4,451)</u>	<u>10,342</u>

(b) Factors affecting the tax charge for the year

	2017	2016
	£	£
Profit on operating activities before tax	12,683	28,702
Tax on profit on ordinary activities multiplied by the standard rate of UK corporation tax of 19.25% (2016: 20%)	2,442	5,740
Expenses not deductible for tax purposes	148	340
Losses	-	(17,040)
Tax losses carried forward	-	13,581
Prior year adjustment	(7,041)	7,721
	<u>(4,451)</u>	<u>10,342</u>
Total tax (credit)/charge	<u>(4,451)</u>	<u>10,342</u>

Factors that may affect future tax charges

The UK corporation tax rate reduced from 20% to 19% on 1 April 2017. A further reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce any current tax charges in future periods accordingly. There are no other factors that may significantly affect future tax charges. There were no amounts of provided or unprovided deferred taxation as at 31 December 2017 or 31 December 2016.



Argent King's Cross GP Limited

Notes to the financial statements (continued) for the year ended 31 December 2017

5. Investments

	Company	
	2017	2016
	£	£
Argent King's Cross Nominee Limited	1	1
Argent (King's Cross) Limited	100	100
	<u>101</u>	<u>101</u>

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.

6. Debtors

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Trade debtors	762,105	2,070,277	-	-
Amounts due from Argent (King's Cross) Limited	-	-	1,046,084	1,045,658
Profit share due from Argent King's Cross Limited Partnership	929,516	924,516	929,516	924,516
Corporation tax recoverable	1,830	-	2,011	-
VAT recoverable	-	508,119	-	-
Other debtors	13,708	13,707	-	-
Prepayments and accrued income	19,299,962	25,110,494	-	-
	<u>21,007,121</u>	<u>28,627,113</u>	<u>1,977,611</u>	<u>1,970,174</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	
	2017	2016	2017	2016
	£	£	£	£
Trade creditors	365,467	30	-	30
Amounts due to Argent King's Cross Limited Partnership	31,319,337	24,102,281	1,846,180	1,858,786
Corporation tax payable	-	2,621	-	-
VAT payable	477,243	-	-	-
Other creditors	1,828	1,451	829	454
Accruals	2,540,712	7,366,617	14,488	9,294
	<u>34,704,587</u>	<u>31,473,000</u>	<u>1,861,497</u>	<u>1,868,564</u>



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Argent King's Cross GP Limited

Notes to the financial statements (continued) for the year ended 31 December 2017

8. Called up share capital

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Issued and allotted				
700 'A' shares of £1 each	700	700	700	700
100 'B' shares of £1 each	100	100	100	100
200 '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 parties

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 and P G Freeman. 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, RM Evans, MI Freeman, PG Freeman, A Gibbs and DJG Partridge, 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 £19,817,126 (2016: £30,256,078) accrued from KCCLP to AKXL under the Asset Management Agreement. This figure is included within the Group's turnover figure. A balance of £19,889,866 was outstanding at 31 December 2017 (2016: £26,771,806) in respect of fees, included within the Group's Trade debtors and Accrued income balance per note 6. During the year, Argent (Property Development) Services LLP ("ASLLP") charged fees to AKXL of £12,586,320 (2016: £23,127,478) 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 £2,066,241 (2016: £6,670,787) in respect of these fees, included in the Group's Trade Creditors and Accruals balance per note 7.

The Company owed the Limited Partnership £1,846,180 at 31 December 2017 (2016: £1,858,786), in relation to historic funding received from Argent Group Limited. This balance is disclosed within creditors, see note 7, and it is anticipated this balance will be cleared in the next accounting period. At the year-end, the Group owed the Limited Partnership a further £31,319,337 (2016: £24,102,281) in accordance with the management agreement (see Strategic Report for further details). Both these amounts are disclosed in note 7. At 31 December 2017, the Company was owed £929,516 (2016: £924,516) from the Limited Partnership in relation to a distribution receivable from the Limited Partnership.

Sir David Clementi and David Partridge, directors of the General Partner throughout the year, purchased apartments in Gasholders in February 2018 at market value. Sir David Clementi's purchase price was £2,155,000 and David Partridge's purchase price was £3,200,000. Nicholas Searl, appointed as a director of the General Partner on 7 April 2018, purchased an apartment in Gasholders at market value, at a purchase price of £1,062,200, in February 2018.

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 ultimate majority owner is the BT Pension Scheme, registered address: 150 Cheapside, London, EC2V 6ET.



Argent King's Cross GP Limited

Notes to the financial statements (continued) for the year ended 31 December 2017

11. Going concern

The Directors have reasonable expectations that the Group and Company have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Directors continue to adopt the going concern basis in preparing the financial statements.

12. Subsequent events

In June 2018, following an equity raise of £125m that was executed by KCCPT, £40.6m of performance fee accrued from KCCLP under the AMA was paid to AKXL. This, less the relevant margin, was then passed on to AKXLP.



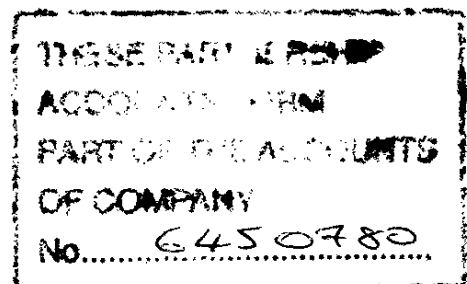
ARGENT

Registration No. LP12725

Argent King's Cross Limited Partnership

General Partner's Report and Financial Statements

Year ended 31 December 2017





Argent King's Cross Limited Partnership

General Partner's report and financial statements 2017

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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 England and Wales under the Limited Partnership Act 1907.

The General Partner, Argent King's Cross GP Limited, presents the annual report and the audited financial statements of the Partnership for the year ended 31 December 2017. The financial statements have been prepared on the going concern basis, as detailed in note 12 to the financial statements.

As permitted by section 414C (11) of the Companies Act 2006, the General Partner has 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 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, London.

Statement of disclosure to the auditor

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

- so far as it is aware, there is no relevant audit information of which the 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 Partnership'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 General Partner has a reasonable expectation that the Partnership has adequate resources to continue to trade for the foreseeable future. Accordingly, as detailed in note 12 to the financial statements, the General Partner continues to adopt a going concern basis in preparing the financial statements.


Political and charitable contributions

The Partnership made no political contributions or charitable donations during the year (2016: £nil).

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.

On behalf of the partners


.....
R M Evans

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


..... 2018



Argent King's Cross Limited Partnership

Strategic report

The Partnership holds an indirect investment in KCCLP.

The Partnership has continued to hold its indirect investment in KCCLP, whose 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 General Partner expects the Partnership to continue this activity for the foreseeable future.

Results and distributions

The result for the year is shown on page 6; during the year, the Partnership made a profit of £8,646,427 (2016: £7,791,811). Profits were distributed as per the Partnership Agreement.

KPIs

The following KPIs are used by management to monitor the Partnership:

	2017 £	2016 £
Turnover	7,223,979	6,522,603
Profit on part disposal of investment	-	46,877
Net assets attributable to partners	126,117,440	127,964,911
Net profit for the year	8,646,427	7,791,811

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.

On behalf of the Board of Argent King's Cross GP Limited

R M Evans

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

2018



Argent King's Cross Limited Partnership

Statement of General Partner's responsibilities in respect of the Strategic report, the General Partner's report and the financial statements

The general partner is responsible for preparing the Strategic Report, the General Partner's Report and the partnership financial statements in accordance with applicable law and regulations.

The Partnerships (Accounts) Regulations 2008 require the general partner to prepare partnership financial statements for each financial year in accordance with Part 15 and Chapter 1 of Part 16 of the Companies Act 2006. Under that law the general partner has elected to prepare the partnership 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 general partner 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 partnership and of the profit or loss of the partnership for that period. In preparing each of the partnership 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 they have been prepared in accordance with IFRSs as adopted by the EU;
- assess the qualifying partnership'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 qualifying partnership or to cease operations, or have no realistic alternative but to do so.

The general partner is 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 partnership and to prevent and detect fraud and other irregularities.

Independent auditor's report to the partners of Argent King's Cross Limited Partnership

Opinion

We have audited the financial statements of Argent King's Cross Limited Partnership ("the qualifying partnership") for the year ended 31 December 2017 which comprise the Profit and loss account, the Balance sheet, the Statement of changes in net assets attributable to the Partners, the 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 qualifying partnership's affairs as at 31 December 2017 and of its 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 as applied to qualifying partnerships by The Partnerships (Accounts) Regulations 2008.

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 qualifying partnership 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.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Strategic report and General partner's report

The general partner is responsible for the strategic report and the general partner's report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the strategic report and the general partner's 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 those reports;
- in our opinion the information given in the strategic report and the general partner's report 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 as applied to qualifying partnerships 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 partners' 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.

Independent auditor's report to the partners of Argent King's Cross Limited Partnership (continued)

General partner's responsibilities

As explained more fully in their statement on page 3, the general partner is 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 qualifying partnership'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 qualifying partnership 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.

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

This report is made solely to the qualifying partnership's partners, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, as required by regulation 4 of the Partnerships (Accounts) Regulations 2008. Our audit work has been undertaken so that we might state to the qualifying partnership's partners 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 qualifying partnership and its partners, as a body, for our audit work, for this report, or for the opinions we have formed.



Bill Holland (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

15 Canada Square

London E14 5GL

26 September 2018



Argent King's Cross Limited Partnership

Profit and loss account for the year ended 31 December 2017

	Notes	2017 £	2016 £
Turnover	1	7,223,979	6,522,603
Cost of sales		(17,968)	-
Gross profit		7,206,011	6,522,603
Administrative expenses		(25,989)	(45,772)
Operating profit	3	7,180,022	6,476,831
Profit on part disposal of investment	4	-	46,877
Unwinding of interest on advances	6	1,466,608	1,269,498
Interest payable and similar charges		(203)	(1,395)
Profit for the financial year		8,646,427	7,791,811

All amounts derive from continuing operations.

The Partnership has no recognised gains or losses other than the profit for the current and preceding year, and hence no statement of other comprehensive income has been presented.

The notes on pages 10 to 14 form part of these financial statements.



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Argent King's Cross Limited Partnership

Balance sheet as at 31 December 2017

	Notes	2017 £	2016 £
Non-current assets			
Investment in associate	5	83,507,986	83,507,986
Debtors due after one year	6	21,021,501	19,554,893
		<u>104,529,487</u>	<u>103,062,879</u>
Current assets			
Debtors due in less than one year	7	31,320,337	24,103,281
Cash at bank		756,783	804,286
		<u>32,077,120</u>	<u>24,907,567</u>
Creditors: amounts falling due within one year	8	<u>(10,489,167)</u>	<u>(5,535)</u>
Net current assets		<u>21,587,953</u>	<u>24,902,032</u>
Net assets attributable to the Partners		<u>126,117,440</u>	<u>127,964,911</u>
Partners' interests			
Limited Partners' net funds:			
Capital accounts		9,000	9,000
Current accounts		<u>126,108,440</u>	<u>127,955,911</u>
Partnership funds		<u>126,117,440</u>	<u>127,964,911</u>

The notes on pages 10 to 14 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 on25..... September 2018.

Signed on behalf of the Board of Argent King's Cross GP Limited

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



Argent King's Cross Limited Partnership

Statement of changes in net assets attributable to the Partners for the year ended 31 December 2017

	Notes	Capital accounts £	Current accounts £	Total £
Balance at 1 January 2016		9,000	120,931,099	120,940,099
Year ended 31 December 2016:				
Total comprehensive income for the year		-	7,791,811	7,791,811
Repaid during the year		-	(766,999)	(766,999)
Balance at 31 December 2016		9,000	127,955,911	127,964,911
Year ended 31 December 2017:				
Total comprehensive income for the year		-	8,646,427	8,646,427
Repaid during the year	9	-	(9,896)	(9,896)
Distributions declared during the year		-	(10,484,002)	(10,484,002)
Balance at 31 December 2017		9,000	126,108,440	126,117,440

The notes on pages 10 to 14 form part of these financial statements.



Argent King's Cross Limited Partnership

Cash flow statement for the year ended 31 December 2017

	2017 £	2016 £
Cash flow from operating activities		
Operating profit	7,180,022	6,476,831
Increase in debtors	(7,217,056)	(6,592,963)
Decrease in creditors	(370)	(5,353)
Net cash outflow from operating activities	(37,404)	(121,485)
Cash flow from investing activities		
Proceeds from part disposal of investment	-	335,736
Net cash inflow from investing activities	-	335,736
Cash flow from financing activities		
Interest paid	(203)	(1,395)
Invoices paid on behalf of Partners	(9,896)	-
Repayment of Partner Advances	-	(766,999)
Net cash outflow from financing activities	(10,099)	(768,394)
(Decrease)/increase in cash and cash equivalents	(47,503)	(554,143)
Opening cash	804,286	1,358,429
Closing cash at 31 December	756,783	804,286

The notes on pages 10 to 14 form part of these financial statements.



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Argent King's Cross Limited Partnership

Notes to the financial statements for the year ended 31 December 2017

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.

Basis of preparation

These financial statements for the year ended 31 December 2017 are prepared as required by the Partnership Agreement and in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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

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

Investment in associate

The investment in associate represents a 32.3% (2016: 32.3%) share of the units in King's Cross Central Property Trust ("KCCPT") and the associated 32.3% (2016: 32.3%) investment in King's Cross Central General Partner Limited ("KCCGP"). This has been recognised at cost less provision for impairment.

Turnover

Turnover consists of excess performance fees, interest on performance fees and base fees payable from AKXL, after a 0.25% fee is retained by the General Partner, per the management agreement, recognised on an accruals basis.

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.

Financial instruments

The Partnership 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 Partnership's Balance Sheet when the Partnership 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.

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.

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.

Argent King's Cross Limited Partnership

Notes to the financial statements (continued) for the year ended 31 December 2017

1. Accounting policies (continued)

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 Partnership's obligations are discharged, cancelled, or they expire.

Judgements and key sources of estimation uncertainty

In the application of the Partnership'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 considers 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.

2. Partners and staff

None of the partners during the year received any remuneration or other emoluments in respect of their services to the Partnership (2016: £nil), with the exception of their share of Partnership profits (as disclosed in note 9). The Partnership did not employ any staff during the year or preceding year.

3. Operating profit

	2017 £	2016 £
Operating profit is stated after charging:		
Auditor's remuneration – audit of the Partnership's accounts	5,200	6,800



Argent King's Cross Limited Partnership

Notes to the financial statements (continued) for the year ended 31 December 2017

4. Profit from part disposal of investment

	2017 £	2016 £
Proceeds	-	46,877
Profit on part disposal of investment	-	46,877

The proceeds in the prior year relate to the release of monies from the solicitors in relation to the sale of the units which took place in 2015.

5. Investment in associate

	King's Cross investment £
As at 31 December 2016 and 2017	83,507,986

The Partnership's % share of the units held as a % of the total Net Assets in KCCPT exceeds the cost of the investment, therefore, the General Partner considers no impairment of the investment is required.

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

Summary of financial statements of associate

The following tables summarise the financial information of the KCCPT associate as included in their own financial statements:

Share of results of associate for the year ended 31 March 2018

	2018 £'000	2017 £'000
Profit for the year	153,333	117,115
Argent King's Cross Limited Partner's 32.3% share of the profit for the year	49,526	37,828

Share of assets and liabilities of associate as at 31 March 2018

	2018 £'000	2017 £'000
Fixed assets		
Investment in King's Cross Central Limited Partnership	1,185,908	1,032,532
Current liabilities		
Trade and other payables	(103)	(60)
Net assets	1,185,805	1,032,472
Argent King's Cross Limited Partner's 32.3% share	383,015	333,488



Argent King's Cross Limited Partnership

Notes to the financial statements (continued) for the year ended 31 December 2017

6. Debtors due after one year

	2017 £	2016 £
Advances:		
Opening at 1 January	19,554,893	18,285,395
Unwinding of interest	1,466,608	1,269,498
	<u>21,021,501</u>	<u>19,554,893</u>

Under FRS 102, the advances are held at amortised cost, in accordance with the applicable financial reporting requirements, using an assumed interest rate of 7%. 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.

7. Debtors due in less than one year

	2017 £	2016 £
Due from Argent King's Cross GP Limited	1,846,180	1,858,786
Due from Argent (King's Cross) Limited	29,473,157	22,243,495
Other debtors	1,000	1,000
	<u>31,320,337</u>	<u>24,103,281</u>

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

8. Creditors: amounts falling due within one year

	2017 £	2016 £
Accruals	5,535	5,535
VAT	(370)	-
Distributions declared to the partners	10,484,002	-
	<u>10,489,167</u>	<u>5,535</u>



Argent King's Cross Limited Partnership

Notes to the financial statements (continued) for the year ended 31 December 2017

9. Loans and other amounts due to partners

	Total £
Capital accounts	
At 1 January and 31 December 2017	9,000
Current accounts	
At 1 January 2017	127,955,911
Net result for the year	8,646,427
Invoices paid on behalf of Partners	(9,896)
Distributions declared	(10,484,002)
As at 31 December 2017	<u>126,108,440</u>

10. Related parties

The Partnership has a 32.3% indirect interest (2016: 32.3%) in KCCLP. The Partnership has made advances to KCCLP of £25,568,855, held at amortised cost of £21,021,501 (2016: £19,554,893).

At 31 December 2017, the Partnership is owed £1,846,180 (2016: £1,858,786) from the General Partner, in relation to historic funding received from Argent Group Limited. This balance is included within debtors – see note 7 – and it is anticipated this balance will be cleared in the next accounting period.

During the year, the Partnership earned fees of £4,669,577 (2016: £6,522,603) in accordance with the limited partnership agreement and in connection with the management agreement between the General Partner and AKXL. Interest of £2,554,402 (2016: £nil) in relation to these fees was also generated during the year. Both these amounts are disclosed on the face of the profit and loss account. At 31 December 2017, the Partnership is owed £29,473,157 (2016: £22,243,495) from AKXL, as disclosed within debtors – see note 7.

Sir David Clementi and David Partridge, directors of the General Partner throughout the year, purchased apartments in Gasholders in February 2018 at market value. Sir David Clementi's purchase price was £2,155,000 and David Partridge's purchase price was £3,200,000. Nicholas Searl, appointed as a director of the General Partner on 7 April 2018, purchased an apartment in Gasholders at market value, at a purchase price of £1,062,200, in February 2018.

11. Ultimate controlling party

The General Partner of Argent King's Cross Limited Partnership is AKXGP and its Limited Partners are Argent Nominee 1 Limited and Britel Fund Trustees Limited. The Partnership is majority owned by the BT Pension Scheme, registered address: 150 Cheapside, London, EC2V 6ET.

12. Going concern

The General Partner has a reasonable expectation that the Partnership has adequate resources to continue to trade for the foreseeable future. Accordingly, the General Partner continues to adopt a going concern basis in preparing the financial statements.

13. Subsequent events

In June 2018 an equity raise of £125m was executed by KCCPT, whereby all unitholders of KCCPT subscribed to the equity raise and reinvested in their existing ownership percentages. The equity raise mechanism enabled £40.3m of performance fee earned to be paid to the Partnership.