

ARGENT

Company Registration No. 03965242

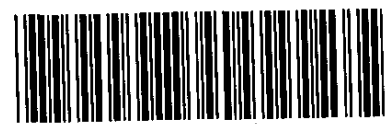
Argent (King's Cross) Limited

Directors' Report and Financial Statements

Year ended 31 December 2019

12.12.2019

THURSDAY



A9XMIBBT

A14 04/02/2021 #348
COMPANIES HOUSE



ARGENT

Argent (King's Cross) Limited

Directors' Report and financial statements 2019

Contents	Page
Directors' report	1
Strategic report	2
Statement of directors' responsibilities	3
Independent auditor's report to the members of Argent (King's Cross) Limited	4
Profit and loss account	6
Balance sheet	7
Statement of changes in equity	8
Cash flow statement	9
Notes to the financial statements	10-16



ARGENT

Argent (King's Cross) Limited

Directors' report

The directors present their annual report and the audited financial statements for Argent (King's Cross) Limited ("the Company") for the year ended 31 December 2019. This is a private company limited by shares. The financial statements have been prepared on the going concern basis, as detailed in note 1.

Principal activities and business review

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

Directors

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

C R A Darroch
*R M Evans (Resigned 24 February 2020)
*M I Freeman (Resigned 24 February 2020)
*P G Freeman (Resigned 24 February 2020)
*A Gibbs (Resigned 24 February 2020)
*D J G Partridge (Resigned 24 February 2020)
J H E Thompson
J G M Wates
M B Lightbound (Appointed 17 March 2020)

As at 31 December 2019, the individuals marked with an asterisk held ordinary shares indirectly via their shareholdings in the Company's sole shareholder, AKXGP Limited (formerly Argent King's Cross GP Limited). As at 24 February 2020, the Company's sole shareholder is Argent King's Cross GP LLP.

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, as follows:

- Financial risk management objectives and policies
- Future developments
- Results and dividends

Statement of disclosure to auditor

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

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


Political and charitable contributions

The Company 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.

On behalf of the board

DocuSigned by:

5CFEC26DD023F494
M B Lightbound
Director

25 January

..... 2021

4 Stable Street, London, N1C 4AB



Argent (King's Cross) Limited

Strategic report

The Company has entered into an Asset Management Agreement (“AMA”) with King’s Cross Central General Partner Limited (“KCCGP”) in KCCGP’s capacity as general partner of the King’s Cross Central Limited Partnership (“KCCLP”). The Company also entered into a services agreement with Argent (Property Development) Services LLP (“ASLLP”) in order to perform its obligations under the AMA.

In addition, there exists a management agreement between Argent King’s Cross GP LLP (“AKXGP”) and the Company, under which the Company and AKXGP are entitled to certain fees arising in connection with the Company’s provision of development and asset management services to KCCLP. This agreement was novated to AKXGP from AKXGP Limited (formerly AKX GP Limited) on 24 February 2020. During 2019, the Company continued to fulfil its duties under the AMA with KCCGP through its agreement with ASLLP. The directors expect the Company to continue this activity for the foreseeable future.

Results and dividends

During the year, the Company made a loss before tax of £17,018 (2018: profit before tax restated £61,718); the results for the year are shown on page 6. No dividends were paid or declared during the current or preceding year.

Business review

The Company continued to provide asset and development management services to KCCLP. A number of milestones were achieved during the year, which resulted in Performance Fees and Milestone Payments becoming due of £6,641,564 (2018: £42,158,569).

KPIs

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

	2019	2018 (restated)
	£	£
Turnover	28,438,792	57,382,815
Operating (loss)/profit before tax	(50,567)	25,689
Shareholders’ funds	88,452	105,058
Milestone payments	2,558,132	1,607,718
Performance fees	4,083,432	40,550,851

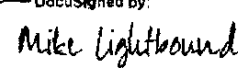
Financial risk management

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

Risk identification and management

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

On behalf of the board

DocuSigned by:

 50FEC26DD23F494...
M B Lightbound
 Director

25 January
 2021



ARGENT

Argent (King's Cross) 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.

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 Argent (King's Cross) Limited

Opinion

We have audited the financial statements of Argent King's Cross Limited ("the company") for the year ended 31 December 2019 which comprise the Profit and loss account, the Balance sheet, the Statement of changes in equity, 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 company's affairs as at 31 December 2019 and of its loss 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 company 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

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

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 a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

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.

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

Directors' responsibilities

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 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 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.

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 (King's Cross) Limited

Profit and loss account for the year ended 31 December 2019

	Notes	2019 £	2018 (restated) £
Turnover	2	28,438,792	57,382,815
Cost of sales		(28,414,364)	(57,352,522)
Gross profit		<u>24,428</u>	<u>30,293</u>
Administrative expenses	3	(74,995)	(4,604)
Operating (loss)/profit		<u>(50,567)</u>	<u>25,689</u>
Interest receivable		34,006	36,318
Interest payable		(457)	(289)
(Loss)/profit before taxation		<u>(17,018)</u>	<u>61,718</u>
Tax credit/(charge) on profit on ordinary activities	4	412	(11,820)
(Loss)/profit for the financial year		<u><u>(16,606)</u></u>	<u><u>49,898</u></u>

All amounts derive from continuing operations.

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

Please see note 11 for details of the prior year restatement.

The notes on pages 10 to 16 form part of these financial statements.



ARGENT

Argent (King's Cross) Limited

Balance sheet as at 31 December 2019

	Notes	2019 £	2018 (restated) £
Current assets			
Debtors	5	11,184,308	13,717,144
Cash at bank		2,109,895	5,153,736
		<u>13,294,203</u>	<u>18,870,880</u>
Creditors: amounts falling due within one year	6	<u>(13,205,751)</u>	<u>(18,765,822)</u>
Net assets		<u>88,452</u>	<u>105,058</u>
Capital and reserves			
Called up share capital	7	100	100
Profit and loss account		88,352	104,958
		<u>88,452</u>	<u>105,058</u>
Shareholders' funds		<u>88,452</u>	<u>105,058</u>

The notes on pages 10 to 16 form part of these financial statements.

Please see note 11 for details of the prior year restatement.

These financial statements (Company number 3965242) were approved by the Board of Directors on 25 January 2021 and were signed on its behalf by:

— DocuSigned by:

Mike Lightbound

— SCFEC25D023F494

M B Lightbound
Director



ARGENT

Argent (King's Cross) Limited

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)	100	82,486	82,586
Prior year adjustment	-	(27,426)	(27,426)
	<hr/>	<hr/>	<hr/>
Balance at 1 January 2018 (as restated)	100	55,060	55,160
Year ended 31 December 2018:			
Profit for the financial year (as restated)	-	49,898	49,898
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2018 (as restated)	100	104,958	105,058
	<hr/>	<hr/>	<hr/>
Year ended 31 December 2019:			
Loss for the financial year	-	(16,606)	(16,606)
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2019	100	88,352	88,452
	<hr/>	<hr/>	<hr/>

The notes on pages 10 to 16 form part of these financial statements.

Please see note 11 for details of the prior year restatement.



Argent (King's Cross) Limited

**Cash flow statement
for the year ended 31 December 2019**

	Notes	2019 £	2018 (restated) £
Cash flow from operating activities			
Operating (loss)/profit		(50,567)	25,689
Decrease in debtors	5	2,532,836	6,358,630
(Decrease) in creditors	6	(5,548,251)	(15,162,779)
Taxation		(11,408)	-
Net cash (outflow) from operating activities		(3,077,390)	(8,778,460)
Cash flow from financing activities			
Interest received		34,006	36,318
Interest paid		(457)	(289)
Net cash inflow from financing activities		33,549	36,029
(Decrease) in cash and cash equivalents		(3,043,841)	(8,742,431)
Opening cash		5,153,736	13,896,167
Closing cash at 31 December		2,109,895	5,153,736

The notes on pages 10 to 16 form part of these financial statements.

Please see note 11 for details of the prior year restatement.



Argent (King's Cross) Limited

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

1. Accounting policies

Argent (King's Cross) Limited is a Company limited by shares incorporated in England and Wales. The registered office is 4 Stable Street, London, N1C 4AB.

Basis of preparation

These financial statements have been prepared in accordance with the Framework of FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

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

The principal accounting policies adopted are set out below. These have all been applied consistently throughout the current and preceding year.

Going concern

The directors have forecast the cash requirements of the Company for at least the next 12 months from the date of approval of these financial statements and in particular have considered the effect of the Covid-19 pandemic from early 2020.

The forecast indicates that the company is dependent on the continued receipt of fees from KCCLP. However, having made enquiries, the directors are content that even in a severe but plausible downside scenario, KCCLP has sufficient resources to continue to pay sufficient fees for at least 12 months from the date of approval of the financial statements in order to allow the company to pay its liabilities as they fall due.

The directors also note that the company has amounts due to Argent Kings Cross Limited Partnership ("AKXLP") of £11.0m at 31 December 2019 (2018 restated: £13.7m). The forecasts prepared by management are dependent on AKXLP not seeking repayment of the amounts currently due from the Company. AKXLP has indicated that it does not intend to seek payment of these amounts for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

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 (see note 2).

Turnover relates entirely to operations in the United Kingdom.

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 tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.



Argent (King's Cross) Limited

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

1 Accounting policies (continued)

Taxation (continued)

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

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.

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.

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

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



Argent (King's Cross) 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)

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 Company in the event of deteriorating market conditions triggering a clawback provision. To that end, performance fee income is recognised in the Company only to the extent there is certainty it will be received in the current or a future period.

2. Turnover

	2019 £	2018 £
Performance fees and milestone payments	6,641,564	42,158,569
Base and other fees	19,429,239	12,319,715
Interest accrued on unpaid performance fees	<u>2,367,989</u>	<u>2,904,531</u>
	<u>28,438,792</u>	<u>57,382,815</u>

3. Audit fees and staff

The fees for the audit of the Company of £10,850 are included in administrative expenses (2018: £9,412).

The Company did not employ any staff during the current or preceding year. None of the directors received any remuneration or other emoluments in respect of their services to the Company (2018: £nil).

4. Tax on profit on ordinary activities

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

	2019 £	2018 (restated) £
Current tax		
UK corporation tax on (loss)/profit for the year	(137)	11,964
Adjustment in respect of prior periods	(275)	(144)
Total tax per profit and loss account	<u>(412)</u>	<u>11,820</u>

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

	2019 £	2018 (restated) £
The charge/(credit) for the year can be reconciled back to the profit per the profit and loss account:		
(Loss)/Profit for the year	<u>(17,018)</u>	<u>61,718</u>
Tax on profit on ordinary activities multiplied by standard rate of UK corporation tax of 19% (2018: 19%)	(3,233)	11,726
Effects of:		
Expenses not deductible	2,604	238
Effects of group relief / other relief	492	-
Adjustment in respect of prior periods	<u>(275)</u>	<u>(144)</u>
Total tax (credit)/charge	<u>(412)</u>	<u>11,820</u>

As of 31 December 2019, the Company has a deferred tax asset of £4,630 (2018: £4,630) which has not been recognised due to uncertainty in respect of utilisation of the tax losses.



ARGENT

Argent (King's Cross) Limited

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

5. Debtors: due within one year

	2019	2018
	£	£
Trade debtors	726,324	2,813,397
Other debtors	-	13,708
Corporation tax refund due	412	-
Accrued income	10,457,572	10,890,039
	<u>11,184,308</u>	<u>13,717,144</u>

6. Creditors: amounts falling due within one year

	2019	2018
	£	(restated) £
Trade creditors	307	-
Due to Argent King's Cross Limited Partnership	11,004,418	13,698,538
Corporation tax payable	-	11,820
VAT due	148,359	470,369
Accruals	2,052,667	4,585,095
	<u>13,205,751</u>	<u>18,765,822</u>

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

Please see note 11 for details of the prior year restatement.

7. Called up share capital

	2019	2018
	£	£
Allotted and called up		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

8. Related party transactions

As at the date of these financial statements, the Company was a wholly owned subsidiary of AKXGP Limited (formerly Argent King's Cross GP Limited), the general partner of Argent King's Cross Limited Partnership ("AKXLP"). The Company and AKXGP Limited had all the directors in common. The Company also has directors in common with KCCGP, being D J Partridge, R M Evans and P G Freeman. Certain directors of the Company, being R M Evans, M I Freeman, P G Freeman, A Gibbs, D J G Partridge, J H E Thompson and J G M Wates are also members of ASLLP. In addition, certain of the Company's directors, R M Evans, M I Freeman, P G Freeman, A Gibbs and D J G Partridge, are also indirect partners in AKXLP, which is a unit holder in KCCPT, the sole limited partner of KCCLP. BT Pension Scheme is the ultimate majority investor in AKXLP.

From 24 February 2020, the Company became a wholly owned subsidiary of Argent King's Cross GP LLP, the general partner of Argent King's Cross Limited Partnership ("AKXLP") having replaced AKXGP Limited as the general partner of AKXLP.

During the year, management fees, performance fees and milestone payments of £18,048,093 (2018: £56,189,633) accrued from KCCLP under the AMA. This is included within turnover in the profit and loss account. A balance of £6,032,014 was outstanding at 31 December 2019 (2018: £12,772,618) in respect of those fees. This is disclosed in trade debtors and accrued income (note 5).



Argent (King's Cross) Limited

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

8. Related party transactions (continued)

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 trade debtors and accrued income (note 5).

During the year, ASLLP charged fees of £18,217,183 (2018 restated: £16,704,317) to the Company under the services agreement (see Strategic Report for further details). This is included within cost of sales in the profit and loss account. At the year-end, ASLLP is owed £615,975 (2018 restated: £4,145,887) in respect of these fees. This balance is disclosed in accruals (note 6).

During the year, AKXLP charged fees of £8,987,129 (2018: £36,684,052) 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 Company owed £11,004,418 (2018 restated: £13,698,538) in relation to these fees. This balance is disclosed in creditors (note 6).

Interest accrued on the performance fee payable to AKXLP 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. This balance is disclosed in trade creditors and accruals (note 6).

During the year, the Company directly invoiced King's Cross Estate Services ("KCES") and KC Green Limited Partnership ("KC Green"), both of which are 100% subsidiaries of KCCLP.

The Company billed KCES £1,299,918 (2018: £1,193,181) in relation to estate and building management fees. At the year-end, the Company was owed £389,975 (2018: £16,863) in relation to these fees. This balance is disclosed in trade debtors and accrued income (note 5).

The Company billed KC Green £6,722,793 (2018: £715,897) in relation to Development Management fees. At the year-end, the Company was owed £323,395 (2018: £744,730) in relation to these fees. This balance is disclosed in trade debtors and accrued income (note 5).

9. Ultimate controlling party

At the date of these financial statements the immediate parent undertaking of the Company is AKXGP Limited (formerly Argent King's Cross GP Limited). From 24 February 2020 Argent King's Cross GP LLP, which is incorporated in Great Britain and registered in England and Wales became the parent undertaking of the Company. Argent King's Cross GP LLP is also the Company's ultimate controlling party and is the only entity in which the results of the Company are consolidated. The consolidated financial statements are available from Companies House.

Argent King's Cross GP LLP is ultimately controlled by and majority owned by the BT Pension Scheme, registered address: 150 Cheapside, London, EC2V 6ET.

10. 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.



Argent (King's Cross) Limited

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

11 Prior year restatement

When preparing these 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 the company 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 is as follows:

	Called up share capital £	Profit and loss account £	Total £
Balance at 1 January 2018 (as reported)	100	82,486	82,586
Restatement	-	(27,426)	(27,426)
Balance at 1 January 2018 (as restated)	100	55,060	55,160
Balance at 31 December 2018 (as reported)	100	133,636	133,736
Restatement		(28,678)	(28,678)
Balance at 31 December 2018 (as restated)	100	104,958	105,058



Argent (King's Cross) Limited

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

11 Prior year restatement (continued)

Profit and loss account

	Notes	2018 (as previously reported) £	2018 (restated) £
Turnover	2	57,382,815	57,382,815
Cost of sales		(57,351,270)	(57,352,522)
Gross profit		31,545	30,293
Administrative expenses	3	(4,604)	(4,604)
Operating (loss)/profit		26,941	25,689
Interest receivable		36,318	36,318
Interest payable		(289)	(289)
(Loss)/profit before taxation		62,970	61,718
Tax (charge) on profit on ordinary activities	4	(11,820)	(11,820)
(Loss)/profit for the financial year		51,150	49,898

Balance sheet

	Notes	2018 (as previously reported) £	2018 (restated) £
Current assets			
Debtors	5	13,717,144	13,717,144
Cash at bank		5,153,736	5,153,736
		18,870,880	18,870,880
Creditors: amounts falling due within one year	6	(18,737,144)	(18,765,822)
Net assets		133,736	105,058



ARGENT

Registration No. LP12725

Argent King's Cross Limited Partnership

General Partner's Report and Financial Statements

Year ended 31 December 2019



ARGENT

Argent King's Cross Limited Partnership

General Partner's report and financial statements 2019

Contents	Page
General Partner's report	1
Strategic report	2
Statement of General Partner's Responsibilities	3
Independent auditor's report to the partners of Argent King's Cross Limited Partnership	4
Profit and loss account	6
Balance sheet	7
Statement of net assets attributable to the Partners	8
Cash flow statement	9
Notes to the financial statements	10-15



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 LLP, presents the annual report and the audited financial statements of the Partnership for the year ended 31 December 2019. The financial statements have been prepared on the going concern basis, as detailed in note 11 to the financial statements. AKXGP Limited, formerly Argent King's Cross GP Limited, resigned as General Partner with effect from 24 February 2020 and Argent King's Cross GP LLP was appointed in its place.

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.

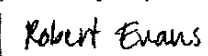
Political and charitable contributions

The Partnership made no political contributions or charitable donations during the year (2018: £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

DocuSigned by:

 1852DE3BEE85476

R M Evans

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

25-Jan-2021 | 10:45 PST
..... 2021



ARGENT

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 £6,008,869 (2018: £33,896,104). No distributions were paid during the year (2018:£5,304,644).

KPIs

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

	2019 £	2018 £
Turnover	4,590,540	32,773,665
Net assets attributable to partners	160,565,639	154,631,770
Net profit for the year	6,008,869	33,896,104

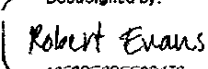
Financial risk management

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 LLP

DocuSigned by:

 1852CE88EE98476

R M Evans

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

25-Jan-2021 | 10:45 PST
..... 2021



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 these financial statements, the general partner is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 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 2019 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 2019 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

The general partner has prepared the financial statements on the going concern basis as they do not intend to liquidate the qualifying partnership or to cease its operations, and as they have concluded that the qualifying partnership's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

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 a year from the date of approval of the financial statements. In our evaluation of the general partner's conclusions, we considered the inherent risks to the qualifying partnership's business model, including the impact of Brexit, and analysed how those risks might affect the qualifying partnership's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the qualifying partnership will continue in operation.

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.

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

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 members' 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.

General partner's responsibilities

As explained more fully in the their statement set out 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 members, 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 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 qualifying partnership and its 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 King's Cross Limited Partnership

Profit and loss account for the year ended 31 December 2019

	Notes	2019 £	2018 £
Turnover		4,590,540	32,773,665
Cost of sales		(12,285)	(81,934)
Gross profit		<u>4,578,255</u>	<u>32,691,731</u>
Administrative expenses		(132,532)	(255,689)
Operating profit	3	4,445,723	32,436,042
Unwinding of interest on advances	5, 6	1,563,298	1,461,027
Interest payable and similar charges		(152)	(965)
Profit for the financial year		<u><u>6,008,869</u></u>	<u><u>33,896,104</u></u>

The notes on pages 10 to 15 form part of these financial statements.

All amounts derive from continuing operations.

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



ARGENT

Argent King's Cross Limited Partnership

Balance sheet as at 31 December 2019

	Notes	2019 £	2018 £
Non-current assets			
Investment in associate	4	124,058,591	124,058,591
Debtors due after one year	5	-	22,482,528
		<u>124,058,591</u>	<u>146,541,119</u>
Current assets			
Debtors due in less than one year	6	31,730,960	7,946,238
Cash at bank		4,862,320	152,789
		<u>36,593,280</u>	<u>8,099,027</u>
Creditors: amounts falling due within one year	7	<u>(86,232)</u>	<u>(8,376)</u>
Net current assets		<u>36,507,048</u>	<u>8,090,651</u>
Net assets attributable to the Partners		<u>160,565,639</u>	<u>154,631,770</u>
Partners' interests			
Limited Partners' net funds:			
Capital accounts		9,000	9,000
Current accounts		160,556,639	154,622,770
Partnership funds		<u>160,565,639</u>	<u>154,631,770</u>

The notes on pages 10 to 15 form part of these financial statements.

The financial statements of Argent King's Cross Limited Partnership (Limited Partnership number LP12725) were approved by the General Partner on **25-Jan-2021 | 10:45 PST** 2021.

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

DocuSigned by:

Robert Evans

1852CE88BEE98478

R M Evans

for and on behalf of the General Partner,
Argent King's Cross GP LLP



ARGENT

Argent King's Cross Limited Partnership

Statement of changes in net assets attributable to the Partners for the year ended 31 December 2019

	Notes	Capital accounts £	Current accounts £	Total £
Balance at 1 January 2018		9,000	126,108,440	126,117,440
Year ended 31 December 2018:				
Total comprehensive income for the year		-	33,896,104	33,896,104
Invoices paid on behalf of partners		-	(78,130)	(78,130)
Distributions declared during the year		-	(5,303,644)	(5,303,644)
Balance at 31 December 2018		9,000	154,622,770	154,631,770
Year ended 31 December 2019:				
Total comprehensive income for the year		-	6,008,869	6,008,869
Invoices paid on behalf of partners	8	-	(75,000)	(75,000)
Distributions declared during the year		-	-	-
Balance at 31 December 2019		9,000	160,556,639	160,565,639

The notes on pages 10 to 15 form part of these financial statements.




Argent King's Cross Limited Partnership

Cash flow statement for the year ended 31 December 2019

	2019 £	2018 £
Cash flow from operating activities		
Operating profit	4,445,723	32,436,042
Decrease in debtors	261,104	23,374,098
Increase in creditors	77,856	3,209
	<hr/>	<hr/>
Net cash inflow from operating activities	4,784,683	55,813,349
Cash flow from investing activities		
Investment in associate	-	(40,550,605)
	<hr/>	<hr/>
Net cash outflow from investing activities	-	(40,550,605)
Cash flow from financing activities		
Interest paid	(152)	(965)
Distributions	-	(15,787,643)
Invoices paid on behalf of partners	(75,000)	(78,130)
	<hr/>	<hr/>
Net cash outflow from financing activities	(75,152)	(15,866,738)
	<hr/>	<hr/>
Increase / (Decrease) in cash and cash equivalents	4,709,531	(603,994)
Opening cash	152,789	756,783
	<hr/>	<hr/>
Closing cash at 31 December	4,862,320	152,789
	<hr/>	<hr/>

The notes on pages 10 to 15 form part of these financial statements.



Argent King's Cross Limited Partnership

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

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 2019 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.

Going concern

The General Partner has considered the cash requirements of the Partnership for at least 12 months from the date of approval of the financial statements. The General Partner has considered the effect of the Covid-19 outbreak. The forecast indicates that, even if no fees were to be received, the Partnership has sufficient cash resources to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements. The General Partner have a reasonable expectation that the Partnership has adequate resources to continue in operation for the foreseeable future. Thus, the General Partner continue to adopt the going concern basis of accounting in preparing the annual report and financial statements.

Investment in associate

The investment in associate represents a 32.3% (2018: 32.3%) share of the units in King's Cross Central Property Trust ("KCCPT") and the associated 32.3% (2018: 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 performance fees, interest on performance fees and base fees. Fees are recognised when the service has been provided. However, turnover is only recognised if it is sufficiently certain that the income will be received (see judgements & estimates below).

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.



ARGENT

Argent King's Cross Limited Partnership

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

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.

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 and estimates 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 were initially discounted at an estimated market rate of 7%, with the difference between the actual amount and discounted amount being added to the cost of the investment in associate.
- Performance fees earned from AKXL (which in turn are received from KCCLP) are only 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 AKXL* and which ultimately could result in a lower amount being received by the Partnership in the event of deteriorating market conditions triggering a clawback provision. To that end, performance fee income is recognised in the Partnership only to the extent there is certainty it will be received in the current or a future period.



Argent King's Cross Limited Partnership

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

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 (2018: £nil), with the exception of their share of Partnership profits and payments of invoices (as disclosed in note 8). The Partnership did not employ any staff during the current or preceding year.

3. Operating profit

	2019 £	2018 £
Operating profit is stated after charging:		
Auditor's remuneration – audit of the Partnership	9,000	7,668
	<u>9,000</u>	<u>7,668</u>

4. Investment in associate

	King's Cross investment £
As at 1 January 2019	124,058,591
Additions	-
As at 31 December 2019	<u>124,058,591</u>
As at 1 January 2018	124,058,591
Additions	-
As at 31 December 2018	<u>124,058,591</u>

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 2020

	2020 £'000	2019 £'000
Profit for the year	19,008	197,197
Argent King's Cross Limited Partner's 32.3% share of the profit for the year	6,140	63,695



Argent King's Cross Limited Partnership

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

4. Investment in associate (continued)

Share of assets and liabilities of associate as at 31 March 2020

	2020 £'000	2019 £'000
Fixed assets		
Investment in King's Cross Central Limited Partnership	1,527,871	1,508,723
Current assets		
Prepayments	24	-
Current liabilities		
Trade and other payables	(233)	(170)
Net assets	1,527,662	1,508,553
Argent King's Cross Limited Partner's 32.3% share	493,435	487,263

5. Debtors due after one year

	2019 £	2018 £
Advances:		
Opening at 1 January	-	21,021,501
Unwinding of discount	-	1,461,027
	<u>-</u>	<u>22,482,528</u>

6. Debtors due in less than one year

	2019 £	2018 £
Due from Argent King's Cross GP LLP	748,638	730,931
Due from Argent (King's Cross) Limited	6,931,195	7,214,247
Other debtors	1,000	1,060
VAT	4,301	-
King's Cross Central Limited Partners Advances (see below)	24,045,826	-
	<u>31,730,960</u>	<u>7,946,238</u>
	2019 £	2018 £
Advances:		
Opening at 1 January	22,482,528	-
Unwinding of discount	1,563,298	-
	<u>24,045,826</u>	<u>-</u>

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

Under FRS 102, the advances are held at amortised cost, in accordance with the applicable financial reporting requirements, using an estimated 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.



Argent King's Cross Limited Partnership

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

6. Debtors due in less than one year (continued)

On 29 June 2020 the Partnership and the lenders approved extension of the advances repayment date to 31 December 2021. Should the advances be redeemed prior to December 2021, the amount receivable will be £25,568,855 irrespective of the date of repayment.

7. Creditors: amounts falling due within one year

	2019	2018
	£	£
Accruals	85,924	8,376
Trade payables	308	-
	<u>86,232</u>	<u>8,376</u>

8. Loans and other amounts due to partners

	Total
	£
Capital accounts	
At 1 January and 31 December 2019	9,000
Current accounts	
At 1 January 2019	154,622,770
Total comprehensive income for the year	6,008,869
Invoices paid on behalf of partners	(75,000)
As at 31 December 2019	<u>160,565,639</u>

Loans and other amounts due to partners

	Total
	£
Capital accounts	
At 1 January and 31 December 2018	9,000
Current accounts	
At 1 January 2018	126,108,440
Total comprehensive income for the year	33,896,104
Invoices paid on behalf of partners	(78,130)
Distributions declared during the year	(5,303,644)
As at 31 December 2018	<u>154,622,770</u>



ARGENT

Argent King's Cross Limited Partnership

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

9. Related party transactions

The Partnership has a 32.3% indirect interest (2018: 32.3%) in KCCLP. The Partnership has made advances to KCCLP with a book value of £24,045,826 (2018: £22,482,528).

At 31 December 2019, the Partnership is owed £748,638 (2018: £730,931) from the General Partner, in relation to historic funding received from Argent Group Limited. This balance is included in debtors (note 6). At 31 December 2019, the General Partner is owed £939,516 (2018: £934,516) by the Partnership in relation to a distribution payable to the General Partner (note 8).

During the year, the Partnership recognised fees of £4,590,540 (2018: £32,773,665) in accordance with the limited partnership agreement and in connection with the management agreement between the General Partner and AKXL. This included interest of £2,362,169 (2018: £2,897,270) in relation to unpaid fees, of the interest amount generated, £4,427,416 (2018: £2,065,247) was outstanding at the year end. This balance is included in debtors (note 6).

At 31 December 2019, the Partnership is owed £6,931,195 (2018: £7,214,247) from AKXL, as disclosed in debtors (note 6).

During the year the Partnership paid invoices on behalf of its partners totalling £75,000 (2018: 78,130) as disclosed in note 8.

10. Ultimate controlling party

The General Partner of Argent King's Cross Limited Partnership is AKXGP and its Limited Partners are Argent Nominee 1 Limited, Britel Fund Trustees Limited, MIFKX Limited, PGFKX Limited, RNMKX Limited, DJGPKX Limited, AJGKX Limited, AJSPKX Limited, RMEKX Limited and AGKX Limited. On 24 February, AKXGP Limited ceased to act as the General Partner of the Partnership and was replaced by Argent King's Cross GP LLP. The Partnership is 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 General Partner does 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.