



ARGENT

Company Registration No. 3965242

Argent (King's Cross) Limited

Directors' Report and Financial Statements

Year ended 31 December 2018

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Argent (King's Cross) Limited

Directors' Report and financial statements 2018

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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 2018. This is a private company limited by shares. The financial statements have been prepared on the going concern basis, as detailed in note 10 and set out below.

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

*M I Freeman

*P G Freeman

*A Gibbs

N E V Jenkins *(resigned 4 May 2018)*

*D J G Partridge

J H E Thompson

J G M Wates

As at 31 December 2018, the individuals marked with an asterisk held ordinary shares indirectly via their shareholdings in the Company's sole shareholder, Argent King's Cross GP Limited.

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.

Going concern

The directors have a reasonable expectation that the Company has adequate resources to continue to trade for the foreseeable future. Accordingly, the directors continue to adopt a going concern basis in preparing the financial

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

R M Evans

Director

22 July 2019

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 Limited (“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. During 2018, 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 profit before tax of £62,970 (2017: £190); 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 £42,158,569 (2017: £3,333,355). In June 2018, following an equity raise of £125m that was executed by King’s Cross Central Property Trust (“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.

KPIs

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

	2018	2017
	£	£
Turnover	57,382,815	20,798,142
Operating profit/(loss) before tax	26,941	(11,988)
Shareholders’ funds	133,736	82,586
Milestone payments	1,607,718	3,333,355
Performance fees	40,550,851	-

Financial risk management

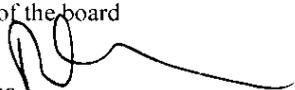
The directors have considered the impact of adverse changes in the market on the financial risks of market, currency, interest rate, credit and liquidity risks. It has been determined that any adverse changes in the market to the parameters that determine the effects of these financial risks will have 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.

At the date of signing the Strategic Report the UK Parliament had yet to ratify an exit strategy for leaving the European Union (‘EU’) and the UK’s departure from the EU has been delayed to the 31 October 2019. The directors continue to monitor developments in the UK Parliament and the uncertainty surrounding Brexit has been incorporated into the directors’ assessment of the specific risks highlighted above.

On behalf of the board


R M Evans
Director

22 July 2019



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 2018 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 2018 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.

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.

The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, such as debtor's recoverability and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

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.

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

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Directors' responsibilities

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.



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

23 July 2019

Argent (King's Cross) Limited
**Profit and loss account
for the year ended 31 December 2018**

	Notes	2018 £	2017 £
Turnover	2	57,382,815	20,798,142
Cost of sales		<u>(57,351,270)</u>	<u>(20,791,315)</u>
Gross profit		31,545	6,827
Administrative expenses	3	<u>(4,604)</u>	<u>(18,815)</u>
Operating profit/(loss)		26,941	(11,988)
Interest receivable		36,318	12,614
Interest payable		(289)	(436)
Profit before taxation		<u>62,970</u>	<u>190</u>
Tax (charge)/credit on profit on ordinary activities	4	<u>(11,820)</u>	<u>2,440</u>
Profit for the financial year		<u><u>51,150</u></u>	<u><u>2,630</u></u>

All amounts derive from continuing operations.

The Company 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.



Argent (King's Cross) Limited

Balance sheet as at 31 December 2018

	Notes	2018 £	2017 £
Current assets			
Debtors	5	13,717,144	20,075,774
Cash at bank		5,153,736	13,896,167
		<u>18,870,880</u>	<u>33,971,941</u>
Creditors: amounts falling due within one year	6	<u>(18,737,144)</u>	<u>(33,889,355)</u>
Net assets		<u>133,736</u>	<u>82,586</u>
Capital and reserves			
Called up share capital	7	100	100
Profit and loss account		133,636	82,486
		<u>133,736</u>	<u>82,586</u>
Shareholders' funds		<u>133,736</u>	<u>82,586</u>

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

These financial statements (Company number 3965242) were approved by the Board of Directors on 22 July 2019 and were signed on its behalf by:

R M Evans
Director

Argent (King's Cross) Limited**Statement of changes in equity
for the year ended 31 December 2018**

	Called up share capital	Profit and loss account	Total
	£	£	£
Balance at 1 January 2017	100	79,856	79,956
Year ended 31 December 2017:			
Profit for the financial year	-	2,630	2,630
Balance at 31 December 2017	100	82,486	82,586
Year ended 31 December 2018:			
Profit for the financial year	-	51,150	51,150
Balance at 31 December 2018	100	133,636	133,736

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

Argent (King's Cross) Limited

Cash flow statement for the year ended 31 December 2018

	Notes	2018 £	2017 £
Cash flow from operating activities			
Operating profit/(loss)		26,941	(11,988)
Decrease in debtors	5	6,358,630	7,626,824
(Decrease)/increase in creditors	6	(15,164,031)	3,241,699
Net cash (outflow)/inflow from operating activities		(8,778,460)	10,856,535
Cash flow from financing activities			
Interest received		36,318	12,614
Interest paid		(289)	(436)
Net cash inflow from financing activities		36,029	12,178
(Decrease)/increase in cash and cash equivalents		(8,742,431)	10,868,713
Opening cash		13,896,167	3,027,454
Closing cash at 31 December		<u>5,153,736</u>	<u>13,896,167</u>

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

Argent (King's Cross) Limited

Notes to the financial statements for the year ended 31 December 2018

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.

The financial statements have been prepared on a going concern basis, as described in note 10.

Turnover

Turnover represents asset and development management fees, performance fees (and interest on unpaid amounts) and milestone payments receivable, recognised by the Company in respect of services supplied, net of VAT. Revenue from development management fees and interest on performance fees is recognised as it earned on an accrual basis. Revenue from milestones payment is recognised when the milestone has been achieved. Performance fee income is recognised when the conditions have been met for it to be paid. 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 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.

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.

Argent (King's Cross) Limited

Notes to the financial statements (continued) for the year ended 31 December 2018

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 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.

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

2. Turnover

	2018 £	2017 £
Performance fees and milestone payments	42,158,569	3,333,355
Base and other fees	12,319,715	12,984,288
Interest accrued on unpaid performance fees	2,904,531	4,480,499
	<u>57,382,815</u>	<u>20,798,142</u>

3. Audit fees and staff

The fees for the audit of the Company of £9,412 are included in administrative expenses (2017: £6,800).

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 (2017: £nil).

Argent (King's Cross) Limited
**Notes to the financial statements (continued)
for the year ended 31 December 2018**
4. Tax on profit on ordinary activities
(a) Analysis of tax charge/(credit) for the year

	2018	2017
	£	£
Current tax		
UK corporation tax on profit for the year	11,964	181
Adjustment in respect of prior periods	(144)	(2,621)
Total tax per profit and loss account	<u>11,820</u>	<u>(2,440)</u>

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

The charge/(credit) for the year can be reconciled back to the profit per the profit and loss account:	2018	2017
	£	£
Profit for the year	<u>62,970</u>	<u>190</u>
Tax on profit on ordinary activities multiplied by standard rate of UK corporation tax of 19% (2017: 19.25%)	11,964	37
Effects of:		
Expenses not deductible for tax purposes	-	144
Adjustment in respect of prior periods	(144)	(2,621)
Total tax charge/(credit)	<u>11,820</u>	<u>(2,440)</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.

5. Debtors: due within one year

	2018	2017
	£	£
Trade debtors	2,813,397	762,105
Other debtors	13,708	13,708
Accrued income	10,890,039	19,299,961
	<u>13,717,144</u>	<u>20,075,774</u>

Argent (King's Cross) Limited
**Notes to the financial statements (continued)
for the year ended 31 December 2018**
6. Creditors: amounts falling due within one year

	2018	2017
	£	£
Trade creditors	-	365,467
Due to Argent King's Cross GP Limited	-	1,046,084
Due to Argent King's Cross Limited Partnership	14,021,904	29,473,157
Corporation tax payable	11,820	181
VAT due	470,369	477,243
Other creditors	-	999
Accruals	4,233,051	2,526,224
	<u>18,737,144</u>	<u>33,889,355</u>

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

7. Called up share capital

	2018	2017
	£	£
Allotted and called up		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

8. Related party transactions

The Company is a wholly owned subsidiary of AKXGP, the general partner of Argent King's Cross Limited Partnership ("AKXLP"). The Company and AKXGP have 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.

During the year, management fees, performance fees and milestone payments of £56,189,633 (2017: £19,817,126) accrued from KCCLP under the AMA. This is included within turnover in the profit and loss account. A balance of £12,772,618 was outstanding at 31 December 2018 (2017: £15,419,367) in respect of those fees. This is disclosed in trade debtors and accrued income (note 5).

Interest accrued on the performance fee payable from KCCLP totalling £2,904,531 (2017: £4,480,499) during the year ended 31 December 2018. Of this amount, £2,070,423 (2017: £4,480,499) 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 £16,703,065 (2017: £12,586,320) 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 £3,793,843 (2017: £2,066,241) in respect of these fees. This balance is disclosed in trade creditors and accruals (note 6).

During the year, AKXLP charged fees of £36,684,052 (2017: £7,223,979) 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 £14,021,903 (2017: £29,473,157) in relation to these fees. This balance is disclosed in creditors (note 6).

Interest accrued on the performance fee payable to AKXLP totalling £2,897,270 (2017: £4,469,298) during the year. Of this amount, £2,065,247 (2017: £4,469,298) was outstanding at the year end. This balance is disclosed in trade creditors and accruals (note 6).

Argent (King's Cross) Limited

Notes to the financial statements (continued) for the year ended 31 December 2018

8. Related party transactions (continued)

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 £1,193,181 (2017: £981,086) in relation to estate and building management fees. At the year-end, the Company was owed £16,863 (2017: £9,744) in relation to these fees. This balance is disclosed in trade debtors and accrued income (note 5).

The Company billed KC Green £715,897 (2017: £nil) in relation to Development Management fees. At the year-end, the Company was owed £744,730 (2017: £nil) in relation to these fees. This balance is disclosed in trade debtors and accrued income (note 5).

At the year-end, the Company owed AKXGP £nil (2017: £1,046,084), in relation to historic funding received from Argent Group Limited. This balance is disclosed in creditors (note 6).

D J Partridge, a director of the Company and of KCCGP throughout the year, sold his interest in his apartment in the Tapestry building on 28 February 2019.

9. Ultimate controlling party

The immediate parent undertaking of the Company is Argent King's Cross GP Limited, which is incorporated in Great Britain and registered in England and Wales. Argent King's Cross GP Limited 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 Limited is ultimately majority owned by the BT Pension Scheme, registered address: 150 Cheapside, London, EC2V 6ET.

10. Going concern

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



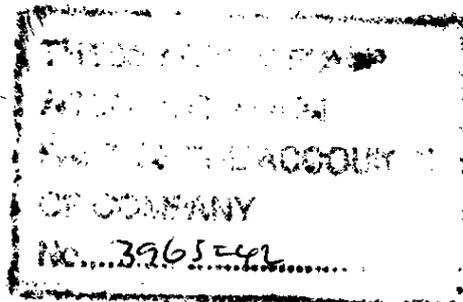
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Registration No. LP12725

Argent King's Cross Limited Partnership

General Partner's Report and Financial Statements

Year ended 31 December 2018





Argent King's Cross Limited Partnership

General Partner's report and financial statements 2018

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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 2018. The financial statements have been prepared on the going concern basis, as detailed in note 11 to the financial statements.

As permitted by section 414C (11) of the Companies Act 2006, 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 11 to the financial statements, the General Partner continues to adopt a going concern basis in preparing the financial statements.

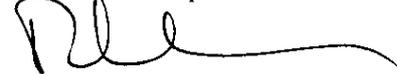
Political and charitable contributions

The Partnership made no political contributions or charitable donations during the year (2017: £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

22 July 2019

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 £33,896,104 (2017: £8,646,427). Profits were distributed as per the Partnership Agreement.

KPIs

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

	2018 £	2017 £
Turnover	32,773,665	7,223,979
Net assets attributable to partners	154,631,770	126,117,440
Net profit for the year	33,896,104	8,646,427

Financial risk management

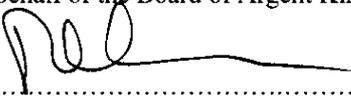
The General Partner has considered the impact of adverse changes in the market on the financial risks of market, currency, interest rate, credit and liquidity risks. It has been determined that any adverse changes in the market to the parameters that determine the effects of these financial risks will 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.

At the date of signing the Strategic Report the UK Parliament had yet to ratify an exit strategy for leaving the European Union ('EU') and the UK's departure from the EU has been delayed to the 31 October 2019. The Partnership continues to monitor developments in the UK Parliament and the uncertainty surrounding Brexit has been incorporated into the Partnership's assessment of the specific risks highlighted above.

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

..22... July 2019

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 2018 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 2018 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.

The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the general partner, such as debtor's recoverability and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the qualifying partnership's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the qualifying partnership's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a qualifying partnership and this is particularly the case in relation to Brexit.

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.

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

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 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 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.



Bill Holland (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

15 Canada Square
E14 5GL

23 July 2019

Argent King's Cross Limited Partnership

Profit and loss account for the year ended 31 December 2018

	Notes	2018 £	2017 £
Turnover	1	32,773,665	7,223,979
Cost of sales		(81,934)	(17,968)
Gross profit		<u>32,691,731</u>	<u>7,206,011</u>
Administrative expenses		(255,689)	(25,989)
Operating profit	3	32,436,042	7,180,022
Unwinding of interest on advances	5	1,461,027	1,466,608
Interest payable and similar charges		(965)	(203)
Profit for the financial year		<u><u>33,896,104</u></u>	<u><u>8,646,427</u></u>

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

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.

Argent King's Cross Limited Partnership

Balance sheet as at 31 December 2018

	Notes	2018 £	2017 £
Non-current assets			
Investment in associate	4	124,058,591	83,507,986
Debtors due after one year	5	22,482,528	21,021,501
		<u>146,541,119</u>	<u>104,529,487</u>
Current assets			
Debtors due in less than one year	6	7,946,238	31,320,337
Cash at bank		152,789	756,783
		<u>8,099,027</u>	<u>32,077,120</u>
Creditors: amounts falling due within one year	7	<u>(8,376)</u>	<u>(10,489,167)</u>
Net current assets		<u>8,090,651</u>	<u>21,587,953</u>
Net assets attributable to the Partners		<u>154,631,770</u>	<u>126,117,440</u>
Partners' interests			
Limited Partners' net funds:			
Capital accounts		9,000	9,000
Current accounts		154,622,770	126,108,440
Partnership funds		<u>154,631,770</u>	<u>126,117,440</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 on~~22~~..... July 2019.

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 2018

	Notes	Capital accounts £	Current accounts £	Total £
Balance at 1 January 2017		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
Invoices paid on behalf of partners		-	(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
Year ended 31 December 2018:				
Total comprehensive income for the year		-	33,896,104	33,896,104
Invoices paid on behalf of partners	8	-	(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

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 2018

	2018 £	2017 £
Cash flow from operating activities		
Operating profit	32,436,042	7,180,022
Decrease/(increase) in debtors	23,374,098	(7,217,056)
Increase/(decrease) in creditors	3,209	(370)
	<hr/>	<hr/>
Net cash inflow/(outflow) from operating activities	55,813,349	(37,404)
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	(965)	(203)
Distributions	(15,787,643)	(9,896)
Invoices paid on behalf of partners	(78,130)	-
	<hr/>	<hr/>
Net cash outflow from financing activities	(15,866,738)	(10,099)
	<hr/>	<hr/>
Decrease in cash and cash equivalents	(603,994)	(47,503)
Opening cash	756,783	804,286
	<hr/>	<hr/>
Closing cash at 31 December	<u>152,789</u>	<u>756,783</u>

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

Argent King's Cross Limited Partnership

Notes to the financial statements for the year ended 31 December 2018

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 2018 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% (2017: 32.3%) share of the units in King's Cross Central Property Trust ("KCCPT") and the associated 32.3% (2017: 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 2018

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 (2017: £nil), with the exception of their share of Partnership profits (as disclosed in note 8). The Partnership did not employ any staff during the current or preceding year.

3. Operating profit

	2018 £	2017 £
Operating profit is stated after charging:		
Auditor's remuneration – audit of the Partnership's accounts	7,668	5,200

Argent King's Cross Limited Partnership

Notes to the financial statements (continued) for the year ended 31 December 2018

4. Investment in associate

	King's Cross investment £
As at 1 January 2018	83,507,986
Additions	40,550,605
As at 31 December 2018	<u>124,058,591</u>

Additions in the year relates to an equity raise of £125m executed by KCCPT in June 2018, in which the Partnership contributed £40.55m. The equity raise mechanism enabled £40.3m of performance fee earned to be paid to the Partnership. All unitholders of KCCPT subscribed to the equity raise and reinvested in their existing ownership percentages.

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 2019

	2019 £'000	2018 £'000
Profit for the year	197,197	153,333
Argent King's Cross Limited Partner's 32.3% share of the profit for the year	63,695	49,526

Share of assets and liabilities of associate as at 31 March 2019

	2019 £'000	2018 £'000
Fixed assets		
Investment in King's Cross Central Limited Partnership	1,508,723	1,185,908
Current liabilities		
Trade and other payables	(170)	(103)
Net assets	1,508,553	1,185,805
Argent King's Cross Limited Partner's 32.3% share	487,263	383,015

5. Debtors due after one year

	2018 £	2017 £
Advances:		
Opening at 1 January	21,021,501	19,554,893
Unwinding of interest	1,461,027	1,466,608
	<u>22,482,528</u>	<u>21,021,501</u>

Argent King's Cross Limited Partnership

Notes to the financial statements (continued) for the year ended 31 December 2018

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.

6. Debtors due in less than one year

	2018 £	2017 £
Due from Argent King's Cross GP Limited	730,931	1,846,180
Due from Argent (King's Cross) Limited	7,214,247	29,473,157
Other debtors	1,060	1,000
	<u>7,946,238</u>	<u>31,320,337</u>

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

7. Creditors: amounts falling due within one year

	2018 £	2017 £
Accruals	8,376	5,535
VAT	-	(370)
Distributions declared to the partners	-	10,484,002
	<u>8,376</u>	<u>10,489,167</u>

8. 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 during the year	(5,303,644)
As at 31 December 2018	<u>154,622,770</u>

Argent King's Cross Limited Partnership

Notes to the financial statements (continued) for the year ended 31 December 2018

9. Related party transactions

The Partnership has a 32.3% indirect interest (2017: 32.3%) in KCCLP. The Partnership has made advances to KCCLP of £25,568,855, held at amortised cost of £22,482,528 (2017: £21,021,501).

At 31 December 2018, the Partnership is owed £730,931 (2017: £1,846,180) from the General Partner, in relation to historic funding received from Argent Group Limited. This balance is included in debtors (note 6).

During the year, the Partnership earned fees of £29,876,395 (2017: £4,669,577) in accordance with the limited partnership agreement and in connection with the management agreement between the General Partner and AKXL. Interest of £2,897,270 (2017: £2,554,402) 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. Of the interest amount generated, £2,065,247 (2017: £4,469,298) was outstanding at the year end. This balance is included in debtors (note 6).

At 31 December 2018, the Partnership is owed £7,214,247 (2017: £29,473,157) from AKXL, as disclosed in debtors (note 6).

D J Partridge, a director of the General Partner and of KCCGP throughout the year, sold his interest in his apartment in the Tapestry building on 28 February 2019.

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 and Britel Fund Trustees Limited. The Partnership is majority owned by the BT Pension Scheme, registered address: 150 Cheapside, London, EC2V 6ET.

11. 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.