



## **TAX STRATEGY**

### *Background*

King's Cross Central Limited Partnership ("the Partnership", "KCCLP") is a Limited Partnership established on 29 November 2007 and registered in England under the Limited Partnership Act 1907. The principal activity of the Partnership and its subsidiaries (the "Group") is the investment in and development of the King's Cross mixed-use scheme between and to the north of St Pancras International and King's Cross Stations. The Group's objective is to provide long-term investment returns to its Limited Partner by regenerating its land holdings and so attract a rich variety of residents, whilst producing an environment where people aspire to work, live and spend their time.

King's Cross is one of the largest and most exciting redevelopments in London, renowned for its creative and inclusive public spaces, exciting attractions, and inspiring heritage and architecture. What was once an underused industrial wasteland has been transformed into a new part of Central London. Due to complete in 2025, King's Cross will be home to leading businesses, nearly 2,000 new homes, two schools and a university, world-class shopping and dining, and an exciting cultural scene with public art, galleries, and music venues. Environmental sustainability and a strong sense of community are at the heart of the 67-acre Estate.

The vision for King's Cross is to be globally renowned as the leading destination for creative and innovative businesses and a place where people and planet flourish. As we look forward, the Partnership will take the historic strengths and continue to evolve the modern relevance of King's Cross as a destination for all. The transformational changes that have taken place over the last 20 years in this thriving destination will continue to evolve and respond to macro and micro economic impacts that will drive change to the way we live our lives and enjoy the spaces. We will ensure that King's Cross is a place for good with our customers' satisfaction at the heart of all we do, and a clear focus on innovation, entrepreneurship, and sustainable growth. Our aim is to have a positive impact on our neighbourhood and London as a whole, delivering environmental sustainability and long-term financial growth, and creating a destination of choice to live, work, study, and visit.

### *KCCLP & TAX*

This tax strategy for KCCLP has been published in accordance with paragraph 22(2), Schedule 19, Finance Act 2016 for the accounting period ended 31 March 2022. The Partnership's tax strategy is aligned with that of its investors to ensure consistency throughout the investment structure.

## **HOW KCCLP MANAGES UK TAX RISK**

KCCLPs tax affairs are managed by the appointed Asset Manager's ("AM") tax team. The AMs Head of Tax is responsible for oversight of all tax matters for the Partnership, reporting to the Chief Financial Officer, the Chief Executive of the Estate and the Board of the Partnership's General Partner, King's Cross Central General Partner ("KCCGP"). The AMs tax team works to a rigorous tax risk management and governance process which is shared with HMRC. This ensures that the Partnership complies with all applicable tax obligations and that the Partnership, and its investors, pay the right amount of tax at the right time. External tax advice is sought on a regular basis and especially on complex matters. All material transactions require KCCGP Board approval.

The Partnership has implemented appropriate systems and controls to manage the level of inherent risk across all taxes, which are continually monitored, reviewed, and updated. The AMs tax team work closely with the wider Finance team in the preparation and review of all financial statements and are integrated with other key business units (development and asset management teams, legal, governance).

## **KCCLP'S ATTITUDE TO TAX PLANNING**

KCCLP seeks to pay the right amount of tax at the right time, complying with all relevant legislation. The tax function supports commercial business decisions, and any tax planning is implemented following both the spirit and the letter of the law. The Partnership may utilise available tax reliefs in line with UK legislation.

External advice is sought for both material and complex transactions, and clearance applications are submitted to HMRC on matters of legislative uncertainty, where advised to be appropriate.

## **THE LEVEL OF RISK KCCLP IS PREPARED TO ACCEPT FOR UK TAXATION**

The Partnership considers the commercial purpose of a transaction to be the crucial factor in determining its tax treatment. Whilst KCCLP will utilise available reliefs to manage the UK tax position under current law, the tax implications are only one of a broader set of commercial factors which the business takes into account when deciding to proceed with any transaction. KCCLP ensures that high standards of integrity and transparency are applied to its tax affairs. Within these overarching provisions, KCCLP adopts an approach that appropriately maximises the after-tax returns for its investors. The significant majority of the Partnership is ultimately owned by two pension funds, which are both represented on the Board of KCCGP.

## **HOW KCCLP WORKS WITH HMRC**

The AMs Head of Tax maintains an open and transparent dialogue with the Partnership's allocated HMRC customer compliance manager on a regular basis, informing HMRC of

live transactions, topical issues, and uncertain matters, as well as disclosing as required promptly. KCCLP is eager to continue to build upon its working relationship with HMRC.