

Annual Report and Financial Statements

For the year ended 31 March 2025

The London Tunnels Ltd
(formerly The London Tunnels Plc)

Registered No. 13160590

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Company Information

Company	The London Tunnels Ltd (formerly The London Tunnels PLC)
Directors	PF Curtin KJ Leo ASD Murray APB Jones CEJ Nelson
Company Secretary	Ben Harber
Company number	13160590
Registered office	2 nd Floor, Nicola Jane House Southern Gate, Terminus Road Chichester West Sussex PO19 8SE United Kingdom
Auditor	KPMG LLP 15 Canada Square London E14 5GL United Kingdom

Overview

The London Tunnels Ltd (formerly The London Tunnels Plc) (the **Company**) was incorporated as a private company limited by shares on 27 January 2021. On 2 November 2023, the Company was registered as a public company and on 30 September 2025 re-registered as a private company and changed its name to The London Tunnels Ltd.

The registered office address is 2nd Floor, Nicola Jane House, Southern Gate, Chichester, West Sussex, United Kingdom, PO19 8SE. The principal place of business address is 31-33 High Holborn, London, WC1V 6AX and 38-39 Furnival Street, London, EC4 1AB.

The principal activity of the Company is to develop the Kingsway Exchange Tunnels in preparation for a series of visitor attractions.

The London Tunnels is a groundbreaking redevelopment initiative, transforming a mile-long network of historical World War II tunnels beneath Central London into a world-class visitor attraction. This heritage-led project aims to offer an immersive experience, combining historical significance with modern technology, including digital installations, multi-sensory exhibits, and hospitality features like an underground bar.

The Tunnels, originally designed for shelter during the war, are being repurposed to boost tourism and cultural engagement. The project is expected to draw up to 3 million annual visitors, significantly enhancing London's heritage and economic appeal, contributing to cultural enrichment. Leveraging cutting-edge digital technology, this initiative creates a unique, interactive journey through London's wartime history.

The development is overseen by a team with expertise in investment, heritage conservation, and technological innovation. The project's strategic objectives include job creation, fostering local business, and contributing to the region's long-term economic sustainability. As a cornerstone of the city's cultural landscape, the London Tunnels project seeks to provide both local and international visitors with a novel way to explore and experience the capital's rich historical fabric.

The focus of the London Tunnels project aligns with broader strategic goals of economic revitalisation and cultural preservation, leveraging its historical significance to offer a dynamic and educational experience while simultaneously generating long-term shareholder value.

During the financial year, the Company achieved many major milestones including receiving planning permission from both The City of London Corporation and London Borough Camden. The Company became a listed public entity on 27 June 2024, when the Company's shares were listed on Euronext Amsterdam, a regulated market operated by Euronext Amsterdam N.V. (the **Listing**). Following the Listing, the Company commenced a capital raise for an amount of up to £30 million through the issue of up to a further 15,000,000 new Ordinary Shares to institutional investors in various jurisdictions, excluding the United States (the **Placing**). On 30 September, the Company's Ordinary Shares were delisted following approval by Euronext Amsterdam and, as a result, the Placing ended. Further details of this are included within the Chairman's statement on the next page.

On 31 March 2025 the Company acquired the leasehold title to the Kingsway Exchange Tunnels and the two surface level entrance buildings previously owned by British Telecom plc and intends to develop the Kingsway Exchange Tunnels (the **Tunnels**) into a major tourist attraction by restoring them back to life to offer a combination of a historical heritage experience and a cultural, beautifully designed, multi-sensory, digital experience.

During the year, the Company converted debt into equity, strengthening its balance sheet.

To support the Tunnels' value as an investment property the Company has entered into a strategic partnership with the Museum of Military Intelligence in relation to future content development within the Kingsway Exchange Tunnels. In addition, the Company is actively engaged in dialogue with a number of internationally recognised brands and content partners for the planned visitor experience. These initiatives are expected to increase the attractiveness of the Tunnels to visitors and, in turn, support the long-term rental and capital value of the property.

These discussions remain at various stages of progression and, at the date of approval of these financial statements, no binding agreements have been concluded other than the partnership already announced. The Directors believe that the level of interest received to date reflects the commercial potential of the project. While there can be no certainty as to the outcome of these discussions, the Directors consider that the increased visibility associated with recent announcements may support the Company's ongoing fundraising activities.

Going forward, the Company continues to progress the project in line with the prospectus and will keep shareholders informed of its progress.

Chairman's Statement

Dear Shareholders,

On behalf of the Board of Directors of the Company, I am pleased to report on our considerable progress over the past year. Thank you for your continued support throughout the year ended 31 March 2025.

As Chair, I am responsible for leading the Board and ensuring it operates effectively in accordance with the principles of the QCA Corporate Governance Code. This includes supporting sound decision-making, promoting a culture of integrity and accountability, and ensuring the Board provides clear and effective leadership for the long-term success of the Company.

My role involves making sure that the Board is balanced, with members bringing a relevant mix of skills, experience, and personal qualities suited to the Company's current and future needs. I work to ensure that Board meetings focus on strategy, performance, risk, and the creation of long-term value for shareholders and other key stakeholders.

I facilitate open and constructive discussions, encouraging active participation from both executive and non-executive directors, while maintaining a clear division between the management and oversight functions of the Board. I also ensure that the Company's governance structure remains fit for purpose as the business evolves, and that decision-making processes are proportionate, transparent, and effective.

I am responsible for promoting meaningful engagement with shareholders and stakeholders, making sure their views are considered in Board discussions and reflected in the Company's policies and practices. This includes transparent communication on matters such as governance, remuneration, and performance.

In addition, I oversee the Board's approach to risk management, ensuring that directors understand the Company's risk appetite and that appropriate controls are in place to support responsible growth. I work to maintain a Board environment where directors are well-informed, receive clear and timely information, and can exercise effective oversight without constraint.

Progress in the Financial Year

Listing: Following the close of the financial year ended March 2025, The Company made significant progress, marked by noteworthy advancements. A major highlight was our successful listing on Euronext Amsterdam, facilitated by ABN AMRO BANK NV. This strategic move positioned us to leverage the expansive European equity and debt capital markets and to benefit from the favourable business environment in the Netherlands. As you are all aware by now, the settlement restrictions faced by the Company ultimately meant that Shareholders voted to delist the company. While having to delist is disappointing, the issue was never our fundamentals, but rather the mechanics of the listing itself. I discuss this in more detail later in my statement.

The Company received unanimous planning approvals from the City of London on 11 June 2024 and from Camden Council on 11 July 2024. These planning consents represent key milestones in progressing the development of the Kingsway Exchange Tunnels.

The Company is currently in active dialogue with both planning authorities regarding the required Section 106 agreements. Draft terms have been exchanged, and the agreements remain under negotiation at the date of approval of these financial statements. The Directors expect that completion of the Section 106 agreements will represent the final step before the planning consents can be formally implemented.

The Directors consider the progress achieved to date with the Section 106 process to be consistent with the ordinary course of major infrastructure and cultural development projects.

Property: On 29 November 2024, Exchange Tunnels Limited ("ETL") acquired the freehold to the Kingsway Exchange Tunnels from British Telecommunications plc and on 31 March 2025 the Company announced it acquired the leasehold

to the Kingsway Exchange Tunnels and two surface level entrance buildings from Exchange Tunnels Limited. With this acquisition, the Company took a major step towards the development of the tunnel complex.

The Company obtained a valuation for the Kingsway Exchange Tunnels and has recognised this at a fair value of £21.5 million, consistent with IFRS 13.

Acknowledgment of Directors and Their Contributions

I would like to extend my sincere thanks to our directors and committee members for their hard work, commitment, and valuable contributions over the past year. Their strategic insight and leadership have played a key role in the progress we have made. I am pleased to confirm that all Directors will be standing for reappointment, providing continuity as we remain focused on delivering our long-term strategic objectives.

Corporate Reorganisation of the Company

As you are aware, the Company is currently incorporated in England and Wales and was listed on Euronext Amsterdam. While initially designed to support broad international investor access, the listing structure, with a GBP-denominated share, created several operational and market access limitations. Given these limitations, the Board believed that the reorganisation and delisting was in the best interests of the Company and all of its shareholders.

The board of directors of the Company (the “Board”) announced on 9 July 2025 that it had carried out a strategic review of the Company’s listing on Euronext Amsterdam and announced that it intended to carry out a corporate reorganisation (the “Reorganisation”) pursuant to which a new private Cayman Islands company, The London Tunnels Incorporated (“TLT Holdings”), would become the Company’s holding company by means of a scheme of arrangement under Part 26 of the Companies Act (the “Scheme”).

In reaching this conclusion the Board had also considered the following key factors:

- The Board identified potential funding solutions for the further stage of its development which are outside the public markets. The Board believed that maintaining a listing on Euronext Amsterdam was unlikely to offer the most effective or cost-efficient path to securing this funding.
- Given its current financial capabilities the Board believed the time and resources associated with maintaining the Company’s listing would be better utilised to maintain and invest in its project of developing the Kingsway Exchange Tunnels.
- The Board believed there was considerable support in the Company’s shareholder base for the Reorganisation and Delisting.
- There were no changes to the Company’s assets, operations, or Board composition as a result of the Reorganisation and Delisting.
- The Company directors who held shares in the Company and two shareholders, Cupcake Partners Limited and Infrastructure (LDN) Credit Fund Inc., provided the Board irrevocable undertakings to vote in favour of the Scheme, in aggregate representing 79.5% of the ordinary share capital of the Company in issue on 8 July 2025 (being the latest practicable date prior to the announcement).

On 8 August 2025, the Company announced that the next step in the process was for London Tunnels Shareholders to vote on the Scheme, and it therefore distributed the Scheme circular along with voting forms for both the Court Meeting and for the General Meeting. Shareholders had until 28 August 2025 to return the voting forms in advance of the Court Meeting and the General Meeting, held at the offices of the Company at Second Floor Nicola Jane House, Southern Gate, Chichester, West Sussex, United Kingdom, PO19 8SE on 1 September 2025.

On 3 September 2025, the board of directors announced that on 1 September 2025 the Shareholders approved (i) the establishment of a new private Cayman Islands company, The London Tunnels Incorporated (“TLT Holdings”), as the Company’s holding company by means of a scheme of arrangement under Part 26 of the Companies Act (the “Scheme”) at the Court Meeting and (ii) the Resolutions to give effect to and implement the Scheme, including, among other things, the cancellation of the existing London Tunnels Shares, the Capital Reduction and the amendment of the Company Articles of Association, at the General Meeting.

On 25 September 2025, the board of directors announced that the High Court of Justice in England and Wales sanctioned the scheme of arrangement under Part 26 of the Companies Act to implement the reduction of capital and establishment of a new private Cayman Islands company, The London Tunnels Incorporated, as the Company's holding company, and has confirmed the Company reduction of capital. The Scheme remained conditional on, and would become effective upon, the delivery of a copy of the Court Order to the Registrar of Companies, which was expected to take place on 29 September 2025.

On 25 September 2025, the board of directors also announced the suspension of trading in existing London Tunnels shares on Euronext Amsterdam, which took effect from 7.30 a.m. on 29 September 2025, and 26 September 2025 was the last day for dealings in existing London Tunnels shares.

On 29 September 2025, the board of directors announced that, following delivery of a copy of the Court Order to the Registrar of Companies, the scheme of arrangement under Part 26 of the Companies Act (the "Scheme") to implement the reduction of capital and establishment of a new private Cayman Islands company, The London Tunnels Incorporated ("TLT Holdings"), as the Company's holding company became effective and, pursuant to the Scheme, the share certificates in respect of the existing London Tunnels shares ceased to be valid and entitlements to the existing London Tunnels shares held through Euroclear Nederland via banks and brokers were cancelled.

On 30 September 2025, Euronext Amsterdam N.V. approved the delisting of the existing London Tunnels shares and cancelled the listing of existing London Tunnels shares.

Strategic Outlook for the Coming Year

We are making strong progress toward completing our phase 2 program of works, a critical step in advancing our long-term objectives. As we move through this important phase, our teams remain focused, driven by a shared commitment to delivering meaningful outcomes. With each milestone reached, we are laying the groundwork for future success, ensuring we are well-prepared to meet our end objective of bringing the Tunnels back to life.

The Company has announced a major partnership with the Museum of Military Intelligence and is in discussion with a number of internationally recognisable brands and content partners. These arrangements are being pursued to enhance the attractiveness and long-term value of the Kingsway Exchange Tunnels as an investment property, rather than for the Company's own operational use. The partnerships are expected to support future rental potential and capital appreciation of the property

The Company will aim to continue its work with financial institutions to provide the required capital funding to complete phase 2 and commence phase 3. The Company intends to consider debt instruments, private capital market opportunities, and alternative equity market options to support its financing strategy.

Thank you once again for your ongoing support and confidence in the Company. We look forward to keeping you informed and sharing further progress and achievements in the year ahead

Yours sincerely,



Peter Curtin
Chairman of the Board
The London Tunnels Ltd

Strategic Report

The purpose of the strategic report is to inform shareholders of the Company and help them assess how the directors have performed their duty under s172 of the UK Companies Act 2006, as amended (the **Companies Act**) to promote the success of the Company for the benefit of the shareholders as a whole, and in doing so, have regard to:

- The likely consequences of any decisions in the long term
- The interest of the Company's employees
- The need to foster the Company's business relationships
- The impact of the Company's operations on the community and the environment
- The desirability of the Company maintaining a reputation for high standards of business conduct
- The need to act fairly as between shareholders in the Company

Introduction

The Company intends to develop the Kingsway Exchange Tunnels (the **Tunnels**) by restoring, adaptively reusing and bringing back to life the Tunnels, for a series of visitor attractions, offering a combination of heritage experiences and a cultural, well-designed, multi-sensory, digital experience. Whilst it is anticipated that the project is expected to draw up to 3 million annual visitors per year, it is possible that a greater number could be attracted, as the Tunnels have a design capacity of approximately 4.2 million visitors, restricted only by ventilation constraints. The content could be based around a single theme, or could form a series of regularly changing exhibitions. At this stage, however, no specific designs or use of content have been finalised.

The technology and the appeal of such experiences can be seen in digital art galleries that have opened around the world over the last five years. Such galleries present, amongst other things, laser video projections or digital screens (LCD/LED) of art as part of choreographed sound and light shows, often using historic building interiors as the backdrop. The immersive digital exhibitions are designed from thousands of images of digitised works of art, broadcast in very high resolution via optical fibre and often set in motion to the rhythm of music.

Vision For the Tunnels

The current vision for the Tunnels includes plans for a 'must-see' attraction in Central London, with ticketed visitors experiencing:

Heritage:

- the heritage and history of a recreated wartime London (focusing on the London Blitz);
- digital displays of the history of the Special Operations Executive, the secret section of MI6, started by Winston Churchill and the location of the fictional Q-Branch in Ian Fleming's James Bond novels; including the fact this was the "reserve war room" in May 1944; and
- digital interactive screens retaining some of the original telecommunications equipment used to connect the USSR and United States during the Cuban Missile Crisis.

Cultural:

- themed content based on either partner content or bespoke content creating a digitally imagined world below London, enabling visitors to blend imagination and reality with technologically advanced visual displays, physical structures such as life size trees, sounds, music, and scent technology, much of which can be interactive;
- a themed attraction based potentially on a blockbuster film or film studio franchise, with the Tunnels providing a unique backdrop; and
- journeys into the past and present, such as to the Pyramids, the Sistine Chapel, the Amazon rainforest or the Great Wall of China.

Hospitality:

- the deepest licensed bar in London and the United Kingdom.

The project aims to collaborate with like-minded partners, museums and universities across both the City of London and Camden to deliver the vision.

Development Strategy

In order to develop the Tunnels, the Company implemented a plan of work following the guidelines set out by the Royal Institute of British Architects (**RIBA**). The RIBA plan of work is the industry standard model for the design and construction process of buildings and organises the process of briefing, designing, constructing and operating building projects into eight stages and explains the stage outcomes, core tasks and information exchanges required at each stage.

The Company together with its consultants and advisers has worked intensively since 2020 through RIBA Stages 0 (Strategic Definition) to 2 (Concept Design) to bring the project to its current status.

Following the receipt of planning permission from both The City of London Corporation and London Borough Camden (the **Planning Permission**), the Company intends to progress the project through RIBA Stages 3 and 4, which includes design studies, engineering analysis, architectural studies, cost planning, statutory applications and construction preparation, RIBA Stages 3 & 4 are expected to take approximately six to twelve months.

RIBA Stage 3 is fundamentally about testing and validating the architectural concept, to ensure that the architectural and engineering information prepared at Stage 2 is spatially coordinated before the detailed information required to manufacture and construct the building is produced at Stage 4. Detailed design studies and engineering analysis will be undertaken to ratify the assumptions made during Stage 2 and to layer more detail onto the design.

RIBA Stage 4 involves the preparation of all information required for manufacture and construction. A building regulations application is expected to be made during Stage 4, before work commences on site. It will also be necessary to discharge any pre-commencement planning conditions. Cost control measures are applied during this stage, which might include the preparation of an updated cost plan, bills of quantities or pricing schedules. The contract for building is expected to be agreed and signed during this stage, to allow Stage 5 to commence.

The final stages of the project, which are scheduled to finish in 2028 and which will require project financing and additional equity, together if appropriate with other forms of financing (for example, council grants, ticket pre-sales and standard headings factoring), will involve RIBA Stages 5, 6 and 7, with full opening planned for 2028.

The Business Model

The Company's business plan and strategic objective is to enhance the value of the Tunnels as an investment property through restoration, renovation and development to create allocation for a major new visitor attraction in Central London comprising must-see heritage, cultural and hospitality experiences, which it currently estimates will launch in 2028. The value proposition is underpinned by the Tunnel's uniqueness and history, size, capacity and location in Central London.

As the Tunnels are being prepared for commercial use and do not yet generate revenue, the Company will need to secure additional funding up to commercial launch to sustain its operations. Without further funding, the Company might face challenges in continuing its activities and achieving its goal of launching commercially. The Company will need to raise additional capital to fund the remainder of Phase 2 and Phase 3 work programmes of the project, as per RIBA Stages 5, 6 and 7, comprising construction as well as content and handover.

Development and Performance During the Year

Position of Company at Year End

Readers of this annual report are reminded that the Company is focused on preparing the Kingsway Exchange Tunnels for commercial launch. Consequently, the financial results reflect an outflow of funds primarily related to professional fees and research & development costs. These fees were incurred in connection with listing the Company and securing the necessary planning approvals from the City of London Corporation and the London Borough of Camden.

As at the date of the year end, 31 March 2025, the Company was well placed to execute its plans as detailed within this annual report.

During the financial year, the Company successfully converted £7.1m of Zero Coupon Convertible Bond debt into new ordinary shares. In addition, ahead of its listing on Euronext Amsterdam, the Company converted a further £6.8m of Convertible Bond debt into £3.8m worth of new ordinary shares. These conversions have contributed positively toward the Company's equity position.

Readers are reminded that additional information regarding the Company and its future plans can be found in the prospectus, which is available on the Company's website and was filed with Euronext Amsterdam in connection with the admission of its ordinary shares to listing and trading.

Within the prospectus published 24 June 2024, the Company included an indicative timeline of phases, a copy of which is included below:

Phases	RIBA stages	Indicative timing
Phase 1	<ul style="list-style-type: none">• RIBA Stages 0, 1 and 2, taking the project through to receipt of Planning Permission;• payment of the leasehold deposit on the Tunnels and the leasehold extension;	Q4 2023 – Q2/Q3 2024
Phase 2	<ul style="list-style-type: none">• RIBA Stages 3 and 4, taking the project through to the point of construction readiness;• purchase of the leases on the Tunnels and other surface properties; and	Q3 2024 – Q4 2025
Phase 3	<ul style="list-style-type: none">• RIBA Stages 5, 6 and 7, taking the project through the construction phase and onto actual usage.	Q4 2025 – H2 2027

The Company had to extend the placing period due to unforeseen settlement issues, however as you can see within this annual report, the Company was still able to broadly continue in line with the business plan and made significant strides in line with these above phases, completing RIBA Stages 0, 1 and 2, received planning permission during the summer of 2024 and the Company completed the leasehold purchase of the tunnels in Q1 2025.

The settlement issues, referenced above and again within the next section, have had an impact on where the Company is, versus where the Company expected to be.

Subject to the Company's ongoing capital raising efforts, Phase 2 is expected to commence following the signing of this Annual Report. As a result, whilst the project is broadly running in line with the indicative timeline of phases, completion of Phase 2 will shift to 2026. This delay may, in turn, impact the start of Phase 3; however, it is anticipated that streamlining processes and operational efficiencies could help mitigate any subsequent delays to the completion and opening of the attraction.

Fund Raising through Share Issues

The Company intended to raise up to £30 million through the issue and received irrevocable commitments from 15 investors to subscribe for 12,490,000 Ordinary Shares at the Issue Price (i.e., for a total amount of £24,980,000) in the Placing. However, the Company experienced settlement issues, which had a direct impact on the irrevocable commitments.

As the Company has now delisted from Euronext Amsterdam, alternate arrangements are being made to ensure the Company has sufficient liquidity for continuing operations. As previously noted, the Company intends to consider debt instruments, private capital market opportunities, and alternative equity market options to support its financing strategy and access the remainder of the commitments via an alternate method.

Summary of Cashflows

In November and December 2024, the Company received £1,980,000 and £300,000 respectively from Technology Credit Fund Inc ("TCF") (previously known as Private Equity (ESG) Fund Inc ("PEF") and Infrastructure LDN Credit Fund ("ILCF")) as proceeds from a 10 per cent loan note, repayable in 24 months' time. Technology Credit Fund Inc. is an investment fund of which Angus Murray is a director and was previously known as Private Equity (ESG) Fund Inc. The Company received a further £200,000 from TCF on 30 September 2025.

The Company is focused on developing the Kingsway Exchange Tunnels but currently lacks a revenue-generating business. Directors have identified factors that could influence the project's timeline and cash flow, emphasising the need for additional funding to sustain operations and achieve a commercial launch. Without securing further capital, the Company may face difficulties in continuing its activities and meeting its objectives.

A material uncertainty exists regarding its ability to continue as a going concern, as highlighted by cash flow forecasts reviewed for the twelve months following the approval of its financial statements. The estimated funding requirement, projected to be approximately £80 million over the next few years, will be pursued through various means, including equity, loans, private credit, and potentially a project bond.

To support these efforts, discussions with financial institutions are already underway. Directors are mindful of implementing cost deferral measures to maintain operations until adequate funding is secured and remain confident in presenting these financial statements on a going concern basis. The financial statements exclude any adjustments that might arise if this basis were deemed inappropriate.

Tunnel Asset Valuation and Business Model

The Company's core asset is its long-term leasehold interest in a network of heritage tunnel infrastructure located beneath Central London. These tunnels are being developed into adaptable commercial spaces capable of generating recurring access and rental income under long-term tolling arrangements with counterparties.

The fair value of the tunnels at 31 March 2025 was £21.5 million, as determined by an independent RICS-registered valuer using the income approach in accordance with IFRS 13. The valuation reflects expected operational turnover and market rent, yield, developers profit and forecast development costs.

Given the specialist nature of subterranean assets and the lack of directly comparable market evidence, the fair value measurement involves significant estimation. The principal valuation drivers include:

- Turnover and market rent
- Yield
- Developers profit
- Forecast development costs

The valuation of the tunnels is a key component of the Group's strategy, informing capital allocation decisions, development planning and financing initiatives. Further details of the fair value measurement are provided in Note 10 to the financial statements, and sensitivity analysis is included to illustrate reasonably possible changes in assumptions.

Valuation Risk (Investment Property)

Risk Rating: High. Change in Year: New / Increasing

The Group's investment property is measured at fair value under IFRS 13 using Level 3 unobservable inputs. The valuation of the tunnel network is inherently complex due to the absence of directly comparable subterranean market transactions, reliance on long-term income projections, and the use of multiple assumptions including turnover and market rent, yield, developers profit and forecast development costs.

Potential impact:

- Material misstatement of asset values
- Incorrect capital allocation or financing decisions
- Reduced investor confidence due to valuation uncertainty
- Sensitivity to changes in market yields and commercial forecasts

Mitigations:

- Independent external valuation by a RICS-registered valuer
- Oversight and challenge by the Audit Committee
- Regular management review of valuation drivers and assumptions
- Scenario modelling and sensitivity analysis
- Engagement with planning authorities and technical specialists to validate development assumptions

Further details, including quantitative sensitivity to key inputs, are provided in Note 10.

Leasehold

On 10 July 2023, the Company, as tenant, entered into an agreement for a lease under which the Company was granted a 100-year leasehold of the Tunnels conditional on the transfer of the Tunnels to Exchange Tunnels Ltd. On 29 November 2024, Exchange Tunnels Limited ("ETL") acquired the freehold from British Telecommunications plc. The acquisition of the freehold by ETL was financed through a loan from London Tunnels.

On 31 March 2025 the Company announced it acquired the leasehold to the Kingsway Exchange Tunnels and two surface level entrance buildings. With this acquisition, the Company took a major step towards the development of the tunnel complex.

The term of the lease was also extended to 125 years and marks a significant milestone in the Company's journey to transform the Tunnels into a major tourist attraction targeting up to 3 million visitors per year, offering a combination of historical heritage experiences and a cultural, multi-sensory, digital experience all within the permitted planning use.

The lease is fully repairing (i.e. the Company is responsible for the cost of all the repairs and upkeep of the property), includes no break clauses and is protected under the Landlord and Tenant Act 1954. There are no restrictions on planning applications.

Under this transaction, the property Company, i.e. Exchange Tunnels Ltd, maintains ownership of the real estate and related debt, while the operating Company, i.e. the Company, conducts day-to-day operations and management. This structure allows for different types of financing and credit ratings for both companies to remain separate and is common in real estate transactions.

Section 172(1) Statement

As directors of the Company (the **Directors**), we are committed to upholding our duties under Section 172(1) of the Companies Act. In making decisions, we have acted in good faith and with the intention of promoting the success of the Company for the benefit of our shareholders as a whole. This statement outlines how we have considered the matters set out in Section 172(1) during the year ended 31 March 2025.

Long-term strategy:

- We have consistently focused on the long-term vision and future growth of the Company. This includes investing in the business plan and strategic objective and maintaining financial prudence during the development stages to ensure the Company remains robust in the face of economic uncertainties.

Business relationships:

- Maintaining strong relationships with the project team, key stakeholders and other business partners is essential. We engage in fair and transparent practices and seek to build lasting partnerships. Regular communication and feedback loops with our stakeholders help us improve and address any issues promptly.

Community and environmental impact:

- We are committed to minimising our environmental footprint and positively contributing to the communities where we operate. We strive to operate sustainably and ethically in all our business practices.

High standards of business conduct:

- We uphold high standards of business conduct and corporate governance. The Company has a Financial Reporting Procedures Manual and has adopted best practices as defined within The Quoted Companies Alliance Corporate Governance Code 2023.

Key Decisions

The following key decisions were taken between April 2024 and the date of this Annual Report:

- Euronext Amsterdam Listing: on 26 June 2024 the Company listed on the Euronext Amsterdam N.V.
- Convertible bond: on 26 June 2024, the Company converted £6,778,000 into 3,727,900 new ordinary shares.
- Zero coupon convertible bond: On 23 July 2024 and 13 August 2024 respectively, ILCF, a related party, applied for conversion of Zero-Coupon Convertible Bonds to the value of £1,322,950 and £370,950 to ordinary shares. The Board approved these conversions and a subsequent debt for equity transaction occurred.
- Loan note: on 25 November 2024, the Company received £1,980,000 from Technology Credit Fund Inc as proceeds from the 10 per cent loan note, the loan note is repayable in 24 months. A further £300,000 was advanced on 9 December 2024 and a further £200,000 was advanced on 30 September 2025 to bring the Loan note 2024 10% balance to £2,480,000.
- Lease: the Company entered into a 125 year lease in respect of the Tunnels dated 31 March 2025.
- The board of directors of the Company (the "Board") announced on 9 July 2025 that it had carried out a strategic review of the Company's listing on Euronext Amsterdam and announced that it intended to carry out a corporate reorganisation pursuant to which a new private Cayman Islands company, The London Tunnels Incorporated ("TLT Holdings"), would become the Company's holding company by means of a scheme of arrangement under Part 26 of the Companies Act (the "Scheme").

- On 29 September 2025, the board of directors announced that, following delivery of a copy of the Court Order to the Registrar of Companies, the scheme of arrangement to implement the reduction of capital and establishment of a new private Cayman Islands company as the Company's holding company became effective and, pursuant to the Scheme, the share certificates in respect of the existing London Tunnels shares ceased to be valid.

Shareholders

As the Board of the Company, we are committed to maintaining open, transparent, and accountable relationships with both institutional investors and private retail shareholders. We actively engage with our shareholder base through regular communications, recognising that their support and perspectives are essential to our success.

We aim to ensure that shareholders have a clear and comprehensive understanding of our strategy, as well as our operational and financial performance, enabling them to make informed assessments of the value of our shares. Feedback from shareholders, along with updates on changes in our shareholder base, is regularly reported to the Board and taken into consideration as part of our decision-making processes.

Principal Risks and Uncertainties

The following is a summary of the key risks that, alone or in combination with other events or circumstances, could have a material adverse effect on the Company's business, financial condition, results of operations and prospects. In making the selection, the Company has considered circumstances such as the probability of the risk materialising on the basis of the current state of affairs, the potential impact which the materialisation of the risk could have on the Company's business, financial condition, results of operations and prospects, and the attention that management would, on the basis of current expectations, have to devote to these risks if they were to materialise:

- The Company does not have sufficient working capital for its longer term requirements and may need to either delay and/or renegotiate its plans or dispose of part or all of its assets, including the Tunnels.
- The Company has no operating history and there can be no certainty that the Company will generate any revenue
- The structural integrity of the Tunnels may be affected by factors related to their age or other, unforeseen and changing factors which may cause increases in costs and may adversely impact revenues.
- The safe removal of asbestos may take longer, and cost more than the Company currently anticipates.
- The loss of one or more key members of the Company's management team or other personnel, or its failure to attract and retain other qualified and professional personnel in the future, could harm the Company's business, financial condition, results of operations and prospects.
- The Company targets to operate in a competitive market and there is no guarantee that sufficient numbers of visitors will be attracted by the Company's offering to make the Tunnels a commercial success.
- The development, installation and maintenance of new technologies purpose-built and designed for the Company may cost more time and money than the Company currently anticipates.
- Failures in, or disruption to, the Company's IT and other systems may have a material adverse effect on the Company's business, brands and reputation and financial condition.
- Reliance on the performance of other third party providers may have a material adverse effect on the Company's business, results of operations, financial condition and prospects.

Whilst not mentioned as a principal risk or uncertainty, the Company recognises that climate change presents both transitional and physical risks that could materially impact our operations, supply chains, asset values, and long-term financial performance. Transition risks may arise from evolving regulatory requirements, stakeholder expectations, and market dynamics as the global economy moves toward a low-carbon future. Physical risks, including extreme weather events and long-term shifts in climate patterns, may affect the resilience of our infrastructure and the continuity of our operations.

We are committed to identifying, assessing, and mitigating these risks through proactive environmental management, improved disclosures, and integration of climate considerations into our strategic planning and risk management frameworks.

Responsible Business

At a glance

As a company, we are deeply committed to operating responsibly and ensuring that our actions contribute positively to our stakeholders, the environment, and the communities we serve. Our responsible business strategy is central to our purpose, driving our long-term success while promoting sustainability and ethical practices across all aspects of our operations.

Community

We are committed to making a meaningful contribution to the communities in which we operate. Our approach centres on engaging with local stakeholders to understand their priorities and working together to deliver positive social and economic outcomes. We actively support initiatives that strengthen local infrastructure, expand access to education, and promote community well-being—ensuring our activities leave a lasting and positive legacy.

Engaging stakeholders

Engaging with our stakeholders is crucial to our success. We maintain open and transparent communication with all our stakeholders, including shareholders, employees, and suppliers. Our stakeholder engagement strategy is built on the principles of trust, fairness, and mutual respect, ensuring that their needs and concerns are always considered in our decision-making processes. This approach not only strengthens our relationships but also helps us to continually improve our operations and deliver value to all parties involved.

Operating responsibly

We are committed to upholding the highest standards of corporate governance, business ethics, and environmental sustainability. Our operations are guided by a robust set of policies designed to prevent bribery, corruption, and human rights abuses, and we take proactive measures to ensure compliance with all relevant laws and regulations. We also prioritise data privacy and cybersecurity, continuously enhancing our practices to protect our stakeholders' information.

Targeting bribery and corruption

We do not tolerate bribery or corruption in any form. Our anti-bribery and corruption set of policies apply to all our businesses, employees and suppliers.

The Risk & Compliance team monitors compliance, with a view to ensuring all parts of the business are aware of their responsibilities in terms of charitable donations, sponsorships, gifts and hospitality. All employees must complete financial crime training annually.

By integrating these principles into every aspect of our business, we aim to create better outcomes for today, tomorrow, and generations to come.

Upholding human rights

We are committed to playing our role in society by ensuring that we have the systems, policies and processes in place to identify any potential instances of exploitation and, if found, eradicate modern slavery in all its forms from our business and supply chain.

Our updated human rights policy details our commitments to upholding the principles of human rights, as set out in the UN Declaration of Human Rights and the International Labour Organisation core labour principles. We comply with all relevant legislation, including the UK Modern Slavery Act and our compliance statement can be found on our website. We outline expectations and compliance to the standards we set out for suppliers, working with them to ensure they operate in accordance with this policy, and upholding the principles of human rights in their operations and supply chains. We are taking appropriate steps to ensure that everyone who works for the Company benefits from a working environment in which their fundamental human rights are respected and anyone that we do business with also upholds these principles.

Protecting privacy

Our clients and our colleagues expect us to keep their data safe and secure, and to respect their privacy. We take this responsibility very seriously, with a view to ensuring we only process personal data in line with all applicable laws, including how we collect, store, use, retain, transfer and delete personal data. Our privacy policy details how we expect everyone to take responsibility for privacy, including the protection of data, applying our privacy standards, procedures and guidance in their areas of the business. These requirements include maintaining information asset registers, following a comprehensive incident management process, ensuring privacy by design, and data protection impact assessments. We continue to improve our privacy and data management practices.

Risk management and internal control

The activities of the Company are subject to a number of risks. If any of these risks were to materialise, there could be a materially adverse effect to the Company's business, financial condition and the results of future operations. The Board is responsible for, and regularly reviews, the main risks that the Company is currently exposed to and any potential future risks that need to be considered. The discharge of this responsibility is intended to occur through an ongoing systematic review of the operational effectiveness of internal controls and procedures, designed to identify, manage, and monitor all areas involving material risks to the Company and those outside of risk appetite.

The Board is mindful of the ICAEW's guidance for Directors on internal controls which sets out that in determining what constitutes a sound system of internal controls it is proposed that boards consider:

- the nature and extent of the risks which they regard as acceptable for the Company to bear within its particular business;
- the threat of such risks becoming reality;
- the Company's ability to reduce the incidence and impact on business if the risk crystallises; and
- the costs and benefits resulting from operating relevant controls.

The risk register adopted by the Board, which is included within the Financial Reporting Procedures Manual, will aid the Board in reviewing what it considers to be its key risks.

The risk register summarises the Board's view of the risks around People, Markets, Operations, Customer Reputation, Cash, IT infrastructure and Legal. Each risk is scored and assessed as to:

- probability; and
- impact, with the scoring ranging from 1 for low risk to 5 for high risk.

The score for probability is multiplied by the score for impact to arrive at an overall Risk Rating score, the higher the score, the higher the business risk.

The risk register comments on the actions being taken to mitigate the risk in question, with a score for mitigation (a Control Rating) then subtracted from the Risk Rating to arrive at a revised risk score.

The risk register is reviewed by the Board at each Board meeting and updated as necessary.

Corporate Governance

Quoted Companies Alliance Code

The Company is committed to maintaining high standards of corporate governance. The Directors support a high standard of corporate governance and have decided to adopt the QCA Corporate Governance Code in 2023 (the **QCA Code**) as published by the Quoted Companies Alliance. The Directors believe that the QCA Code provides the Company with the framework to help ensure that a strong level of governance is maintained, enabling the Company to embed the governance culture that exists within the organisation as part of building a successful and sustainable business for all of its stakeholders. While the Company embraces the QCA Code, full compliance has not yet been achieved. Specifically, Principle 6 (Board Composition) is not strictly met. However, the Board is well-resourced with the skills and expertise needed to fulfill its governance responsibilities effectively.

Following the delisting, the Company is no longer subject to the EU or UK Market Abuse Regulations or the Disclosure Guidance and Transparency Rules, except to the extent voluntarily adopted, however, the Board remains committed to reviewing its structure to align further with the Code as the business evolves.

Principle 1: Establish a business strategy and business model which promote long-term value for shareholders

The Company's business model and strategy is set out in the Strategic report on pages 9 to 10. The Directors believe that the Company's model and growth strategy will help to promote long-term value for shareholders. The principal risks facing the Company are set out within the Financial Reporting Procedures Manual. The Directors will continue to take appropriate steps to identify risks and undertake a mitigation strategy to manage these risks, including implementing a risk management framework.

Principle 2: Promote a corporate culture that is based on ethical values and behaviours

The Board recognises that their decisions regarding strategy and risk will impact the corporate culture of the Company and that this will impact performance. The culture is set by the Board and is considered and discussed at Board meetings and the Board is aware that the tone and culture it sets impacts all aspects of the Company and the way that employees behave. The Board promotes a culture of integrity, honesty, trust and respect and all employees of the Company are expected to operate in an ethical manner in all of their internal and external dealings.

The Board takes responsibility for the promotion of ethical values and behaviours throughout the Company, and for ensuring that such values and behaviours guide the objectives and strategy of the Company. The Company also has an established code for directors' and employees' dealings in securities and is in accordance with Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (including any relevant delegated regulations (the **EU Market Abuse Regulation**) and the EU MAR as it forms part of retained EU law as defined in the European Union (Withdrawal) Act 2018, as amended (the **UK Market Abuse Regulation**).

The Directors believe that a long-term sustainable business model is essential for discharging the Board's responsibility to promote the success of the Company, its employees, shareholders and other stakeholders of the business. In considering the Company's strategic plans for the future, the Directors will proactively consider the potential impact of its decisions on all stakeholders within its business, in addition to considering the broader environmental and social impact as well as the positive impact it can have within the local community in which the Company operates.

The Company fully endorses the aims of the Modern Slavery Act 2015 and takes a zero-tolerance approach to slavery and human trafficking within the Company and supply chain.

Principle 3: Seek to understand and meet shareholder needs and expectations

The Board is committed to and actively encourages effective relationships and communication with the Company's shareholders.

All shareholders are actively encouraged to participate in the Company's general meetings. The Company prepares an agenda and explanatory notes for each general meeting, which is sent to all shareholders and is available for download from the Company's website.

The Company will seek to maintain an active dialogue with shareholders, who will be kept up to date with the Company's developments by way of announcements made through a Company press release on matters of a significant substance and/or a regulatory nature. Updates will be provided to the market from time to time, including any financial information, and any expected deviations to market expectations will be announced through a Company press release.

The Company's general meetings will be an opportunity for shareholders to meet with the Chairman and other members of the Board.

General meetings will be open to all shareholders, giving them the opportunity to ask questions and raise issues during the formal business or, more informally, following the meeting. The results of the general meeting will be announced through a regulatory information service.

The Board is keen to ensure that the voting decisions of shareholders are reviewed and monitored, and the Company intends to engage, as appropriate with shareholders who do not vote in favour of resolutions at general meetings.

All contact details for investor relations are included on the Company's website at <https://thelondontunnels.com/investors/>.

Principle 4: Take into account wider stakeholder interests, including social and environmental responsibilities, and their implications for long-term success

The Company takes its stakeholder interests, including its corporate social responsibilities, very seriously and is focused on maintaining effective working relationships across a wide range of stakeholders including shareholders as part of its business strategy. The Board will maintain an ongoing and collaborative dialogue with such stakeholders and take all feedback into consideration as part of the decision-making process and day-to-day running of the business.

The Company has established the Sustainability and ESG Committee.

Principle 5: Embed effective risk management, internal controls and assurance activities, considering both opportunities and threats, throughout the organisation

The Board takes appropriate steps to identify risks and undertake internal controls, assurance activities and a mitigation strategy to manage these risks. An overview of the principal risks facing the Company are within the Financial Reporting Procedures Manual. A review of these risks is carried out at least on an annual basis. The Board has overall responsibility for the determination of the Company's risk management objective and policies and has also established the Audit and Risk Committee.

Principle 6: Establish and maintain the board as a well-functioning, balanced team led by the chair

The Board comprises two executive directors and three non-executive directors, two of those non-executive directors being independent. The Board considers that it combines a blend of sector and market expertise, with an effective executive management team and appropriate oversight by independent non-executive directors. The Company is satisfied that, whilst the composition is not compliant with the QCA Code, the current Board is sufficiently resourced to effectively discharge its governance obligations on behalf of all its shareholders and other stakeholders in the Company.

The Board meets regularly, and processes are in place to ensure that each Director is, at all times, provided with such information as is necessary to enable each Director to discharge their respective duties. The Board is also supported by the Audit and Risk Committee, the Nomination and Remuneration Committee, the Disclosure Committee and the Sustainability and ESG Committee. The Nomination and Remuneration Committee has responsibility for reviewing the structure, size and composition of the Board, giving consideration to succession planning and reviewing the leadership needs of the organisation. As recommended by the QCA Code guidance, the independent non-executive directors will not participate in performance-related remuneration schemes.

Principle 7: Maintain appropriate governance structures and ensure that individually and collectively the directors have the necessary up-to-date experience, skills and capabilities

The Directors believe that the Board has a balance of sector, financial and public market skills and experience appropriate for the size and stage of current development of the Company and that the Board has the skills and requisite experience necessary to execute the Company's strategy and business plan whilst also enabling each director to discharge his or her fiduciary duties effectively. Experiences are varied and contribute to maintaining a balanced Board that has the appropriate level and range of skill to develop the Company. The Board is not dominated by one individual and all Directors have the ability to challenge proposals put forward to the meeting, democratically.

While the Board has not yet adopted any formal policy on gender balance, ethnicity or age group, it is committed to fair and equal opportunity and fostering diversity subject to ensuring appointees are appropriately qualified and experienced for their roles.

The Company retains the services of independent advisers including financial, legal, and investor relations advisers that are available to the Board and who provide support and guidance to the Board and complement the Company's internal

expertise. The Board has also received a briefing from the Company's lawyers in respect of continued compliance with, *inter alia*, the EU MAR Regulation and the UK MAR.

The Chair leads the Board and is responsible for its governance structures, performance and effectiveness. The Board retains ultimate accountability for good governance and is responsible for monitoring the activities of the executive team.

The Board is supported by the Audit and Risk Committee, Nomination and Remuneration Committee, Disclosure Committee and Sustainability and ESG Committee, further details of which are set out in the section "Governance structure and division of responsibilities" of this Governance report. There are certain material matters which are reserved for consideration by the full Board. Each of the committees has access to information and external advisers, as necessary, to enable the committee to fulfil its duties.

The Board intends to review the Company's governance framework on an annual basis to ensure it remains effective and appropriate for the business going forward.

Principle 8: Evaluate board performance based on clear and relevant objectives, seeking continuous improvement

The Directors will consider the effectiveness of the Board, Audit and Risk Committee, Nomination and Remuneration Committee, Disclosure Committee, Sustainability and ESG Committee and individual performance of each Director. Given the current size and stage of development of the Company, the Directors have decided to postpone a formal evaluation until next year.

Principle 9: Establish a remuneration policy which is supportive of long-term value creation and the Company's purpose, strategy and culture

The Board is supported by the Nomination and Remuneration Committee, further details of which are set out above. In respect of the remuneration duties, the Nomination and Remuneration Committee assists the Board in determining its responsibilities in relation to directors' remuneration, including making recommendations to the Board on the Company's policy on executive remuneration, including setting the over-arching principles, parameters and governance framework of the Company's remuneration policy and determining the individual remuneration and benefits package of each of the executive directors (being the senior management) (including fees paid to the company secretary of the Company).

The Company's proposed remuneration policy can be found on page 29. The Nomination and Remuneration Committee have given due regard to the provisions and recommendations in the QCA Code when determining the remuneration policy.

Principle 10: Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other key stakeholders

The Board is of the view that the annual report and accounts as well as its half year report are key communication channels through which progress in meeting the Company's objectives and updating its strategic targets can be given to shareholders. Additionally, the Board will use the Company's general meetings as a mechanism to engage directly with shareholders, to give information and receive feedback about the Company and its progress.

The website is updated on a regular basis with information regarding the Company's activities and performance, including financial information and the contact details for investor relations can be found on the Company's website at <https://thelondontunnels.com/investors/>.

This Governance report was approved by the Board and signed on its behalf by:



Peter Curtin - Chairman

Date: 23 December 2025

Governance Structure and Division of Responsibilities

The Board

Role of the Board

The Board is responsible for promoting the long-term success of The London Tunnels Ltd. This responsibility is fulfilled through strong governance practices and by ensuring that stakeholder interests are central to the decision-making process. The Board defines the Company's purpose and values, sets its strategic direction in alignment with our culture, and oversees its execution by management.

In addition, the Board maintains oversight of the Company's governance framework, financial reporting, internal controls, and risk management processes, including determining the Company's risk appetite. The Board also holds collective responsibility for ensuring ongoing compliance with all relevant laws and regulations.

Board composition and election

Our Board comprises five members: the Chief Executive Officer (**CEO**), the Chief Operation Officer (**COO**) and three independent non-executive directors who are experienced individuals, drawn from a wide range of industries and backgrounds with the skills to promote the long-term sustainable success of the Company. Board composition is a deliberate balance of members and reflects the ongoing review of Board membership to ensure a balance of skills and experience appropriate for the nature of the Company's business status. The experience and tenure of the non-executive directors ensures the Board is well positioned to advise, challenge, and support executive management as the Company progresses its business plan.

All Directors are appointed to the Board for an initial fixed three-year term, subject to annual re-election by shareholders at the Company's annual general meeting (the **AGM**). In accordance with the QCA Code, all Directors will retire and offer themselves for election or re-election at the next AGM.

Board leadership and Company purpose

The Board is responsible to the Company's shareholders for the performance, overall strategic direction, values and governance of the Company. It provides the leadership necessary to enable the Company's business objectives to be met within the framework of the internal controls detailed in the report.

The Company's articles of association allow the Directors to authorise a conflict of interest. A register may be set up to record all actual and potential conflict situations which have been declared. The Company has instituted procedures to ensure that Directors' outside interests do not give rise to conflicts with its operations and strategy.

Board meetings

The Board meets quarterly in person and more often virtually if required (for example, when a major event takes place). The Board understands the need for corporate governance and compliance to ensure the Company meets all of its publicly listed obligations.

The Board Pack is issued in advance of every meeting. All Directors are expected to attend each Board meeting.

Board minutes are documented and maintained, as well as being formally approved at the following Board meeting.

Board committees

The Board has constituted the following committees:

- Audit and Risk Committee;
- Nomination and Remuneration Committee;
- Disclosure Committee; and
- Sustainability and ESG Committee.

For further details, please see below.

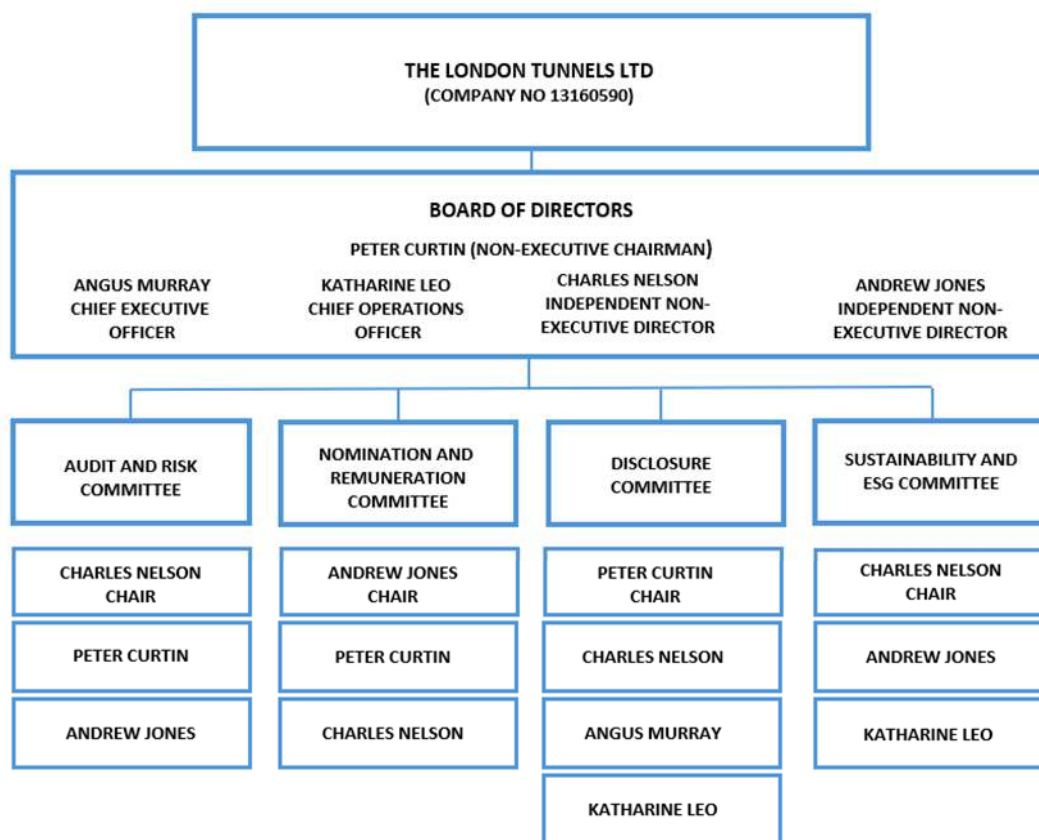
Attendance at Board and committee meetings

The list below includes the attendance at the scheduled Board and committee meetings during the financial year. Figures in brackets denote the maximum number of meetings that could have been attended.

	Board meetings	Committee meetings
Angus Murray	4(4)	n/a
Peter Curtin	3(4)	3(3)
Katy Leo	4(4)	n/a
Charles Nelson	3(4)	3(3)
Andrew Jones	3(4)	3(3)

During the financial year ended 31 March 2025, the Nomination and remuneration committee met, as did the audit committee, to approve the publication of the Annual Report up to 31 March 2024 and the half year report FY2025 up to 30 September 2024. The Board and committees have also diarised meetings to be held during the remainder of 2025 and 2026.

Board of Directors



Angus Stewart Douglas Murray (CEO, aged 55)

Mr. Murray is the founder and managing principal of Castlestone Management LLC, a United States registered investment adviser which has been managing assets since 2001. Castlestone Management LLC currently advises two Maltese regulated UCITS compliant funds and one Cayman Islands Private Fund. In addition, Mr. Murray is a director of a Private Fund domiciled in the Cayman Islands. Previously, Mr. Murray held the position as Co-Head of International Equities for NatWest Markets USA. In October 1997, he joined Macquarie Bank’s equity department in London, before

being appointed as President of Macquarie Holdings (USA) Inc. Between October 1997 and March 2000, he held the dual responsibilities as President of Macquarie Holdings (USA) Inc and managing principal of Castlestone Management LLC. He resigned from Macquarie in March 2000 to manage Castlestone Management LLC. Mr. Murray holds a number of Securities Licences in the US (NASD Series 7, 24, 63 & 65) and is registered as an Investment Advisor Representative with the Securities & Exchange Commission. Mr. Murray was granted a waiver, given his experience, by the NJ Bureau of Securities on 27 October 2016 for his Series 65. He is also registered with the Directors Registration and Licensing Act of the Cayman Islands. Mr. Murray was born in Sydney, Australia. He received a Bachelor of Financial Economics from the University of London, England.

Katharine Jane Leo (COO, aged 61)

Katharine (Katy) Leo, has over 40 years' experience in finance across a number of sectors, including asset management, fund administration, risk assessment and regulatory compliance. She has also worked with a diverse range of clients including institutional investors, family offices, high-net-worth individuals and corporations and has extensive experience in Accounting, Financial Administration, Fund accounting, Audit and Operations. Ms. Leo began her career in the motor trade, working for a group of BMW dealerships where ultimately she was responsible for the management of the finance department alongside managing the operations of other departments. She restarted her career working for various charities and in April 2006 began working at Castlestone Management Ltd, where she has held senior roles as Head of Operations and Finance Manager. For the last decade, Ms. Leo has owned and operated a group of UK limited companies that provide back-office services to investment advisers and collective investment schemes in various jurisdictions.

Peter Francis Curtin (non-executive chairman, aged 76)

Peter Curtin has over 40 years' experience of the securities industry both in broking and investment management. Before retiring as an active fund manager with Merrill Lynch Investment Managers in March 2000, he was responsible for managing over US\$2 billion of assets. He has extensive experience in international equity markets in particular those of the Asia Pacific region. For a number of years after retirement Mr. Curtin was a non-executive director of a Hong Kong based hedge fund, being Hindsight Investment Management, an AIM listed investment company, being MG Capital, and also acted as an advisor to a small family wealth office. Mr. Curtin is a Director of the Company and was previously a director of a number of other Cayman Islands private funds and British Virgin Islands public funds.

Throughout his career in the finance industry Mr. Curtin has held a number of positions, starting in 1964 as a broker's settlement clerk before working his way up to vice-president/director level with large investment management businesses.

Charles Edward Johannes Nelson (independent non-executive director, aged 63)

Mr. Nelson has over 35 years' experience in the Financial Services industry, principally in investment banking. His career at Macquarie Securities Group London spanned over two decades where, as a Senior Managing Director, he was responsible for numerous equity sales teams and European equity syndication. Mr. Nelson led the EMEA and APAC business for Meetyl, a leading independent fintech corporate access business, and is currently Managing Director Head of UK at Morrow Sodali, the global consultancy specialising in shareholder and bondholder services, corporate governance, proxy solicitation and capital markets transactions. During his time at Macquarie Securities Group, Mr. Nelson held the following Controlled Functions designations: CF1, Director; CF8, Apportionment and Oversight; CF21, Investment Adviser; and CF30, Customer Function.

Andrew Peter Britton Jones (independent non-executive director, aged 62)

Andrew Jones graduated with a Bachelor of Commerce from the University of Western Australia. Commencing on the trading floor of the Perth Stock Exchange in Oct 1980, Mr. Jones specialised in arbitrage trading of Australian resource equities, spending a number of secondments over the following years with member firms of London Stock Exchange. Following the move to dual capacity in early 1986, Mr. Jones moved permanently to London in September to work on the floor of The London Stock Exchange as a market maker in Australian equities for White & Cheesman. Over the following two decades, Mr. Jones held several trading, sales and leadership roles in Australasian equities with a range of global investment banks, finishing with Citigroup in Dec 2004. Mr. Jones established Bespoke Sports Limited in early 2005 to manage the affairs of professional golfers, teaching instructors and media personalities. In April 2016, Mr. Jones commenced consulting to Jago Partners (London) Limited, a brand marketing agency focusing on digital strategies.

Committees of the Board

Audit and Risk Committee

The Audit and Risk Committee is chaired by Charles Nelson and its other members are Peter Curtin and Andrew Jones.

The Audit and Risk Committee will meet no less than two times a year, at appropriate intervals in the financial reporting and audit cycle, and otherwise as required. It is intended that the chair of the Audit and Risk Committee will be available at AGMs of the Company to respond to questions from the shareholders on the activities of the Audit and Risk Committee.

The Audit and Risk Committee assists the Board in discharging its responsibilities with regard to financial reporting, external and internal audits, the internal controls environment, including reviewing and monitoring the integrity of the Company's annual and interim financial statements, reviewing and monitoring the extent of any non-audit work undertaken by the auditor, overseeing the Company's relationship with the auditor and reviewing the effectiveness of the external audit process. The ultimate responsibility for reviewing and approving the annual reports and accounts and the half-yearly reports remains with the Board.

The Audit and Risk Committee will also advise the Board on the appointment of the auditor and on its remuneration for both audit and non-audit work, as well as discussing the nature, scope and results of the audit with the auditor. The Audit and Risk Committee will take appropriate steps to ensure that the auditor is independent of the Company and obtains written confirmation from the auditor that they comply with guidelines on independence issued by the Financial Reporting Council.

The Audit and Risk Committee will give due consideration to laws and regulations and the provisions of the QCA code. The Audit and Risk Committee is also responsible for (i) advising the Board on the Company's risk strategy, risk appetite, tolerance and risk policies and current risk exposures (principal and emerging); (ii) evaluating the Company's principal risks to be taken into account when assessing the Company's prospects; (iii) overseeing the implementation and maintenance of the overall risk management framework and systems; and (iv) reviewing the Company's risk assessment processes and capability to identify and manage new risks.

The Audit and Risk Committee will continually assess and monitor the need for an internal audit function in the Company.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee is chaired by Andrew Jones, independent non-executive director. Other members are Charles Nelson, independent non-executive director, and Peter Curtin, non-executive Chairman.

The Nomination and Remuneration Committee will meet as and when required, but at least twice per annum. It is intended that the chair of the Remuneration Committee will be available at AGMs to respond to questions from the shareholders on the activities of the Nomination and Remuneration Committee.

In respect of the remuneration duties, the Nomination and Remuneration Committee will assist the Board in determining its responsibilities in relation to remuneration, including making recommendations to the Board on the Company's policy on executive remuneration, including setting the over-arching principles, parameters and governance framework of the Company's remuneration policy and determining the individual remuneration and benefits package of each of the Directors. The committee will also ensure compliance with the QCA Code when determining the remuneration policy.

In respect of the nomination duties the Committee will assist the Board in discharging its responsibilities relating to the composition and make-up of the Board and any committees of the Board. It will also be responsible for periodically reviewing the Board's structure and composition and identifying potential candidates to be appointed as Directors or committee members as the need may arise. The Nomination and Remuneration Committee is responsible for evaluating the balance of skills, knowledge and experience and the size, structure and composition of the Board and committees of the Board, and retirements and appointments of additional and replacement directors and committee members, and will make appropriate recommendations to the Board on such matters.

Disclosure Committee

The Disclosure Committee is chaired by Peter Curtin, Non-Executive Chair. Its other members include Angus Murray (CEO), Katharine Leo (COO) and Charles Nelson, independent non-executive director.

The Disclosure Committee will meet twice per annum and otherwise as necessary in order to discharge its duties.

The Disclosure Committee is responsible for: (i) the identification of inside information and related announcement and record-keeping obligations, including considering whether conditions for delaying the announcement of inside information or selectively disclosing inside information are satisfied; (ii) consideration, review and verification of announcements and other public disclosures (for example, relating to regular reporting or website disclosures and publications); (iii) consideration, review and verification of the Company's regular public reporting and other disclosures; (iv) overview of systems, controls and procedures to ensure compliance with the rules related to inside information and other disclosure requirements and guidance (including changes and developments); and (v) overview of training available to Board members, Disclosure Committee members and the broader workforce on the EU MAR and the UK MAR.

Sustainability and ESG Committee

The Sustainability and ESG Committee is chaired by Charles Nelson, independent non-executive director. Other members include Andrew Jones, independent non-executive director and Katharine Leo (COO).

The Sustainability and ESG Committee will meet at least once a year and otherwise as required.

The Sustainability and ESG Committee is responsible for supporting the Board to execute oversight of ESG-related issues relevant to regulators and shareholders. The Sustainability and ESG Committee ensures that there is an appropriate framework of policies, procedures, systems and controls in relation to sustainability and ESG matters, promoting the appropriate culture, behaviours and decisions in relation to those matters and communicating the Board's commitment to these matters to the Company's staff, contractors and other stakeholders.

Directors Report

The directors have pleasure in presenting their annual report on the affairs of the Company, together with the financial statements and auditor's report, for the year ended 31 March 2025. Comparative figures relate to the year ended 31 March 2024.

Details of significant events since the balance sheet date are contained in note 24 to the financial statements.

Information about the use of financial instruments by the Company are given in note 20 to the financial statements.

Dividend

No dividends were paid or recommended during the current or prior financial year.

Capital structure

Details of the authorised and issued share capital, together with details of the movements in the Company's issued share capital during the year are shown in note 15 to the financial statements. The Company has one class of ordinary shares which carry no right to fixed income. Each share carries the right to one vote at general meetings of the Company.

There are no specific restrictions on the size of a holding nor on the transfer of shares, which are both governed by the general provisions of the articles of association and prevailing legislation. The directors are not aware of any agreements between holders of the Company's shares that may result in restrictions on the transfer of securities or on voting rights.

No person has any special rights of control over the Company's share capital and all issued shares are fully paid.

With regard to the appointment and replacement of directors, the Company is governed by its articles of association, the QCA Code, the Companies Act, and related legislation. The Articles themselves may be amended by special resolution of the shareholders.

Directors

The Directors, who served throughout the year and subsequent to the year-end were as follows:

- Angus Stewart Douglas Murray – CEO
- Katharine Jane Leo – COO
- Peter Francis Curtin – Chair
- Andrew Peter Britton Jones – independent, non-executive director
- Charles Edward Johannes Nelson – independent, non-executive director

The Board considers that the contribution of each of these Directors is, and continues to be, important to the Company's long-term sustainable success. The Company maintains a directors and officers insurance policy to protect Company's directors and board members from personal liability.

The governance code followed by the Company requires UK companies to consider diversity in their board composition, including:

- Gender balance: At least 40% of the board should be women, and at least one senior board position should be held by a woman.
- Ethnic minority representation: At least one board member should be from an ethnic minority background, as defined by the Office for National Statistics (ONS).
- Other factors: Boards should consider other factors such as nationality, educational attainment, age, and socio-economic background.
- Board composition: The board should have an appropriate balance of skills and experience and should not be dominated by one person or group.

The Board composition does not consist of 40% woman, nor does it have any ethnic representation, although it is noted that the Board has not yet adopted any formal policy on gender balance, ethnicity or age group, it is committed to fair and equal opportunity and fostering diversity subject to ensuring appointees are appropriately qualified and experienced for their roles.

Substantial shareholdings

On 31 March 2025, the Company had been notified, in accordance with chapter 5 of the Disclosure Guidance and Transparency Rules, of the following voting rights as a shareholder of the Company.

Name of holder	No. of ordinary shares	Percentage of voting rights and issued share capital
Cupcake Partners Limited	50,000,000	71.46%
Technology Credit Fund Inc	6,113,932	8.74%
Others	13,856,314	19.80%
	69,970,246	100%

Statement of directors’ responsibilities in respect of the annual report and the financial statements

The directors are responsible for preparing the Annual 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-adopted international accounting standards and applicable law.

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 its profit or loss for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with UK-adopted international accounting standards;
- 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 its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the directors are also responsible for preparing a Strategic Report and a Directors’ Report that complies with that law and those regulations.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company’s website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Carbon Reporting

The Company has opted not to include any Streamlined Energy and Carbon Reporting (SECR) within this report as it does not meet the 40,000 kWh energy consumption threshold requiring additional reporting and has no office space.

Auditor

Each of the persons who is a director at the date of approval of this annual report confirms that, so far as the Director is aware, there is no relevant audit information of which the Company’s auditor is unaware; and, the Director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company’s auditor is aware of that information.

A resolution to reappoint KPMG LLP will be proposed at the forthcoming AGM.

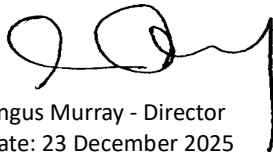
Board Oversight of Valuation and Fair Value Governance

The Board recognises the critical importance of robust governance over the valuation of the Group's principal asset, the tunnel infrastructure. The Board has delegated oversight of the valuation process to the Audit Committee, which receives detailed reports from management and the external valuer.

Key elements of valuation governance include:

- annual independent valuation by a RICS-registered valuer;
- direct reporting of the valuer to the Audit Committee;
- regular updates from management on development progress, planning status, and market assumptions;
- oversight of internal controls relating to data provided to the valuer;
- review of sensitivity analysis and downside scenarios;
- assessment of the appropriateness of valuation techniques under IFRS 13.

The Board satisfies that the valuation process is rigorous, independent and aligned with best practice under the QCA Corporate Governance Code.

A handwritten signature in black ink, appearing to read 'Angus Murray', with a vertical line extending downwards from the end of the signature.

Angus Murray - Director
Date: 23 December 2025

Committee Reports

Audit and Risk Committee Report

The Audit and Risk Committee is chaired by Charles Nelson and its other members are Peter Curtin and Andrew Jones.

The Audit and Risk Committee assists the Board in discharging its responsibilities with regard to financial reporting, external and internal audits and controls, including reviewing and monitoring the integrity of the Company's annual and future interim financial statements, reviewing and monitoring the extent of the non-audit work undertaken by the external auditor, advising on the appointment of external auditor, overseeing the Company's relationship with its external auditor, reviewing the effectiveness of the external audit process, and reviewing the effectiveness of the Company's internal controls, risk management, whistleblowing and fraud systems. The ultimate responsibility for reviewing and approving the annual report and accounts and the half-yearly reports remains with the Board.

The Audit and Risk Committee operates within a scope and remit defined by specific terms of reference determined by the Board.

The Audit and Risk Committee meets at least twice a year to review and discuss the Company's half-year and full-year accounts.

The principal areas of focus of the Audit and Risk Committee:

- monitoring the integrity of the financial statements and formal announcements relating to the Company's financial performance;
- reviewing significant financial reporting issues, accounting policies and disclosures in financial reports, which are considered to be in accordance with the key audit matters identified by the external auditor;
- overseeing that an effective system of internal control and risk management systems are maintained;
- ensuring that an effective whistleblowing, anti-fraud and bribery procedures are in place;
- overseeing the Board's relationship with the external auditor and external accountants and, where appropriate, the selection of new external auditor;
- monitoring the statutory audit of the annual financial statements, in particular, its performance, taking into account any findings and conclusions by the competent authority;
- approving non-audit services provided by the external auditor, or any other accounting firm, ensuring the independence and objectivity of the external auditor is safeguarded when appointing them to conduct non-audit services; and
- ensuring compliance with legal rules and regulations and accounting standards.

Principal activities during the year

During the financial year ended 31 March 2025, two formal meetings of the Audit and Risk Committee were held, the Audit and Risk Committee has been involved in undertaking the following activities:

- appointment of external auditor and recommendation to the Board;
- review of audit planning and update on relevant accounting developments;
- consideration and approval of the risk management framework, appropriateness of key performance indicators;
- review of the Auditors Finding Report provided by the Company's auditors;
- Review of the Company's financial statements, including its annual and half-yearly reports, the independent auditors report, interim management statements, result announcements and any other formal announcements relating to its financial performance prior to release.
- recommendation of accounts to Board of Directors for approval;
- review of the effectiveness of the Audit and Risk Committee;
- review of internal controls; and
- consider whether an internal audit function is required and confirmed not considered necessary given the present size of the Company.

Significant Issues Reviewed:

Management override of controls

The Audit Committee reviewed management's response to the assumed significant risk of management override, including high-risk journal entries, accounting estimates, accounting policies and unusual transactions, and while no indicators of management bias were identified, the Committee noted a control deficiency arising from the lack of approval and segregation of duties over journal postings, which management advised cannot currently be avoided due to the small size of the accounting team.

Classification and valuation investment property

The valuation of the Company's tunnel infrastructure investment property was a significant area of focus for the Audit Committee during the year. This is due to related party nature of the transaction, the reliance on Level 3 unobservable inputs, the absence of directly comparable market data, and the high degree of estimation involved in forecasting turnover and market rent, yield, developers profit and forecast development costs.

Related party transactions

The Audit Committee concluded that, due to the absence of documentation and the counterparty's limited assets, the loan was appropriately presented as repayable on demand and impaired, that the related transactions should be accounted for in substance as the acquisition of the underlying asset with the impairment reflected in the right-of-use asset, accepted management's judgement on recognising the remaining difference through the income statement, and noted a related control deficiency.

Committee actions

The Committee:

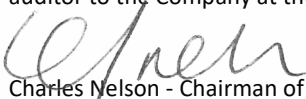
- reviewed the valuation report prepared by the independent RICS-registered external valuer;
- challenged management's selection of the residual value method as the primary valuation technique under IFRS 13;
- evaluated key assumptions including turnover and market rent, yield, developers profit and forecast development costs;
- considered alternative scenarios and assessed sensitivity analysis;
- reviewed the inclusion of a "material valuation uncertainty" declaration by the external valuer under VPS 3 and VPGA 10 of the RICS Red Book; assessed the independence and professional qualifications of the valuer;
- considered the nature, substance and accounting treatment of the related party transactions, including the classification and impairment of the loan balance;
- reviewed and challenged management's judgements on related party transactions and associated control deficiencies; and
- reviewed the related disclosures in the financial statements, including Note 10 and the related party disclosures, for transparency and compliance with IFRS.

Committee conclusion

The Committee concluded that the valuation methodology and key assumptions used were appropriate and that the resulting fair value of £21.5 million was reasonable and compliant with IFRS 13.

External auditor

The Company's external auditor is KPMG LLP. The external auditor has unrestricted access to the Audit and Risk Committee Chair. The Committee is satisfied that KPMG LLP has adequate policies and safeguards in place to ensure that auditor objectivity and independence are maintained. The external auditor reports to the Audit and Risk Committee annually on its independence from the Company. In accordance with professional standards, the partner responsible for the audit will be changed every five years. The current auditor, KPMG LLP, was first appointed by the Company on 25 July 2024, for the audit of the financial statements for year ended 31 March 2024. Having assessed the performance objectivity and independence of the auditor, the Committee will be recommending the reappointment of KPMG LLP as auditor to the Company at the 2025 AGM.



Charles Nelson - Chairman of the Audit and Risk Committee

Date: 23 December 2025

Nomination and Remuneration Committee Report

Introduction

The Remuneration Report outlines the approach taken by the Nomination and Remuneration Committee (the "Committee") in relation to the remuneration of directors and senior executives of The London Tunnels Ltd for the financial year ended 31 March 2025. This report is consistent with the principles set out in the QCA Corporate Governance Code and reflects our commitment to transparency and accountability in remuneration practices.

Committee Membership

The Committee comprises at least two members, with a majority being independent non-executive directors. Members are appointed by the Board and serve terms of up to three years, which may be extended. The current members of the Committee include:

- Andrew Jones, Chairperson
- Peter Curtin, Member
- Charles Nelson, Member

Meetings

Since listing in July 2024, the Committee has met once with all key decisions and discussions minuted by the Company Secretary and subsequently shared with the Board. For future financial years the Committee intends to meet at least twice a year in accordance with its Terms of Reference.

Remuneration Policy

This section sets out the Directors' Remuneration Policy which applies to all current and future directors of the Company and has been prepared in accordance with the requirements of Chapter 4A of Part 10 of the Companies Act 2006. The Policy is subject to shareholder approval at least once every three years and governs the remuneration and loss of office payments the Company may make to its directors during the period in which the Policy is in force.

The Committee should adopt a formal and transparent procedure for developing policy on executive remuneration and determining remuneration and carry out the duties below for the Company. In formulating this policy, the Remuneration Committee has considered any views expressed by shareholders in relation to directors' remuneration, including feedback received at general meetings or through direct engagement.

Key elements of the remuneration policy include:

Key Focus

- | | |
|---|---|
| • Set & Review Remuneration Policy | Align with strategy, long-term success, legal and stakeholder views |
| • Determine Executive Pay | Approve total packages for directors and senior executives |
| • Oversee Incentives | Approve performance-related bonuses and share plans |
| • Manage Contracts & Termination Terms | Ensure fairness and avoid rewarding failure |
| • Review Pensions & Ad-hoc Payments | Set pension terms and approve any additional payments |
| • Use Consultants & Benchmarking | Hire advisers and compare with market data |
| • Shareholder Engagement | Communicate on pay matters with major shareholders |
| • Oversee Employee Benefits | Monitor significant changes to benefits across the Company |
| • Approve Public Disclosures | Review and sign off executive pay in public documents |
| • Monitor Non-Executive Director Commitment | Assess time dedication of non-executive directors |
| • Set Expense Policy | Approve rules for director expense claims |

Executive Remuneration package

For the year ended 31 March 2025, the total remuneration packages for the executive directors were as follows:

Angus Murray - Chief Executive Officer:

Effective date of most recent employment contract: 16 March 2023

Notice period: In the first five years of continuous employment: four weeks; and after five complete years: one week for each complete year of continuous employment up to a maximum of 12 weeks' notice.

Base Salary: £140,000

Bonus: nil

Share Options: nil

Total Remuneration: £140,000

Katharine Leo - Chief Operating Officer:

Effective date of most recent employment contract: 1 January 2023

Notice period: In the first five years of continuous employment: four weeks; and after five complete years: one week for each complete year of continuous employment up to a maximum of 12 weeks' notice.

Base Salary: £30,000

Bonus: nil

Share Options: nil

Total Remuneration: £30,000

Non-Executive Directors package

The remuneration for non-executive directors is determined by the Committee and is designed to reflect the time commitment and responsibilities of the role.

Andrew Jones, Non-Executive Director:

- Appointed 20 December 2023, amended by appointment deed on 21 June 2024

- Re-elected on 3 January 2025 at the Annual General Meeting of the Company

- Annual Fee: £25,000

Peter Curtin, Non-Executive Director:

- Appointed 20 December 2023, amended by appointment deed on 21 June 2024

- Re-elected on 3 January 2025 at the Annual General Meeting of the Company

- Annual Fee: £25,000

Charles Nelson, Non-Executive Director:

- Appointed 20 December 2023, amended by appointment deed on 21 June 2024

- Re-elected on 3 January 2025 at the Annual General Meeting of the Company

- Annual Fee: £25,000

All of the Non-Executive Directors elected not to receive their annual fee entitlement.

There are no provisions in the Directors' service contracts or letters of appointment that give rise to any obligation to the Company in respect of remuneration or payments for loss of office.

The Company has not included the 10-year CEO total remuneration table, the 10-year performance graph comparing total shareholder return on each class of equity share to a named broad equity index, or the 5-year percentage change figures relating to the single total figure of remuneration, due to the absence of sufficient historical and relevant data to compile these disclosures accurately.

Directors and their connected persons interest in shares and share ownership

Director	Shares held as at 31 March 2025	Shares held as at 31 March 2024
Angus Murray*	50,000,000	50,000,000
Katharine Leo	16,415	-
Andrew Jones	-	-
Peter Curtin	22	-
Charles Nelson	-	-

* held via Cupcake Partners Limited

Share Incentive Plans

The Committee reviews the design of share incentive plans annually, determining the amount and distribution of awards to executive directors and senior executives based on performance targets. There are currently no share incentive plans in place. There are no requirements for Directors to hold shares in the Company.

Diversity and Inclusion

The Committee is committed to promoting diversity within the Board and executive management. The policy on diversity and inclusion, along with objectives and progress, is reported to the Board annually.

Performance Evaluation

The Committee assists the Chairperson with the implementation of an annual evaluation process to assess the overall and individual performance of the Board and its committees. The evaluation process includes feedback on the composition and effectiveness of the Board.

Recommendations

The Committee recommends that the Board approves the remuneration packages as outlined in this report and continues to support the principles established in the remuneration policy.

This report will be presented to shareholders at the upcoming Annual General Meeting, where the Chairperson will be available to respond to any questions regarding the Committee's activities and remuneration practices.

Remuneration received by Directors in the year ended 31 March 2025 and year ended 31 March 2024 (audited)

Directors' Remuneration Table 2025

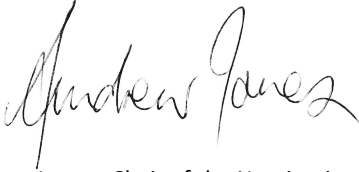
Director	Fixed Salary	Taxable Benefits	Annual Bonus	LTIP / Share Awards	Pension	Other	Total Variable Remuneration	Total Fixed Remuneration	
	£	£	£	£	£	£	£	£	£
Angus Murray	140,000	nil	nil	nil	nil	1,321	nil	nil	141,321
Katharine Jane Leo	30,000	nil	nil	nil	nil	nil	nil	nil	30,000
Total	170,000	nil	nil	nil	nil	1,321	nil	nil	171,321

Directors' Remuneration Table 2024

Director	Fixed Salary	Taxable Benefits	Annual Bonus	LTIP / Share Awards	Pension	Other	Total Variable Remuneration	Total Fixed Remuneration	
	£	£	£	£	£	£	£	£	£
Angus Murray	133,958	nil	nil	nil	nil	1,468	nil	nil	135,426
Katharine Jane Leo	19,500	nil	nil	nil	nil	nil	nil	nil	19,500
Total	153,458	nil	nil	nil	nil	1,468	nil	nil	154,926

Conclusion

The Committee continues to ensure that the remuneration practices of The London Tunnels Ltd are aligned with the Company's strategy and long-term goals while considering the views of shareholders and stakeholders. The Committee will remain vigilant in its oversight of remuneration policies to ensure they remain relevant and effective.

A handwritten signature in black ink, appearing to read "Andrew Jones". The signature is written in a cursive, flowing style.

Andrew Jones - Chair of the Nomination and Remuneration Committee
Date: 23 December 2025

Remuneration Policy

Below is the approach to designing the remuneration policy and the remuneration policy table, which includes the elements of Directors' remuneration. It sets out each element's purpose and link to strategy, how it works, the opportunity, boundaries and performance measures that may apply.

The Company's remuneration strategy aims to ensure strong alignment with its strategic priorities, to create shareholder value, and to provide market-competitive remuneration to enable the attraction and retention of top leadership talent.

Approach to designing the remuneration policy

The Nomination and Remuneration Committee is responsible for determining and agreeing with the Board on the Directors' remuneration policy and overseeing its implementation. The Nomination and Remuneration Committee has clear terms of reference, works with management and independent advisers to develop proposals and recommendations, and exercises independent judgment when making decisions. This process is considered to manage any potential conflicts of interest.

When considering how to structure and position the remuneration packages for the executive directors, the Nomination and Remuneration Committee first considers the Company's strategy and business objectives and then considers market data from a range of sources that includes listed companies of a similar size and complexity and international peers.

In designing an appropriate incentive structure for the executive directors and other senior management, the Nomination and Remuneration Committee seeks to set challenging performance criteria aligned with the Company's business strategy and the generation of sustained shareholder value. The Nomination and Remuneration Committee is also mindful of the need to avoid inadvertently encouraging risky or irresponsible behaviour, including behaviour that could raise environmental, social or governance (ESG) issues.

Policy table: executive directors

Element	Purpose and link to strategy	Operation	Potential value and performance measures
Base salary	To provide a competitive and appropriate level of basic fixed pay to attract, motivate and retain individuals of the caliber required to lead the business, reflecting their experience, performance and responsibilities.	<p>Base salaries are reviewed annually and any changes normally take effect from 1 April each year.</p> <p>In determining salaries and salary increases, the Nomination and Remuneration Committee will take account the inflation in the local market where the executive director resides.</p> <p>On an exceptional basis, the Nomination and Remuneration Committee may also take into account the executive director's knowledge, contribution to the role, length of time in office, and any additional responsibilities since the last salary review. New appointments or promotions will be paid at a level reflecting the executive directors' level of experience in the particular role and the local market benchmarks in the country where they are located.</p> <p>There are no normal hours of work predetermined by the Company for the Executive. The Executive shall</p>	Salary increases are awarded based on local market inflation.

		work the hours the Executive determines necessary for the proper performance of the Executive's duties. The Executive acknowledges that the Executive can determine the Executive's own Working Time and therefore the Employment is within Regulation 20(1) of the Working Time Regulations 1998 and therefore the limit in Regulation 4(1) of the Working Time Regulations 1998 shall not apply to the Executive or the Employment.	
Variable remuneration	Variable remuneration is designed to ensure that executive directors take decisions in the interest of the longer-term success of the Company. Having measures that look at profitable growth and performance relative to a comparator group over the longer term ensures that the interests of executive directors are aligned with shareholder wishes for long term value.	<p>Directors are eligible for variable remuneration based on target-linked and goal-linked measures.</p> <p>Individual incentives: linked to individual performance against individual financial targets and non-financial KPIs.</p> <p>Directors bonus awards: bonus awards are aimed at rewarding overall and long-term growth and is linked to EBITDA growth targets.</p>	The Nomination and Remuneration Committee will review any variable remuneration, where performance assessment and risk adjustment will be assessed in relation to each performance period.
Long term incentive	Incentivises and rewards executive directors for the delivery of longer-term strategic objectives and to reward substantial relative and absolute increases in shareholder value.	The Company currently has not implemented any long-term incentive plan but intends to establish one or more employee share option plans for the retention of executive directors and employees.	Not applicable
Benefits	The purpose of any benefit is to align with normal market practices, and to remove certain day to day concerns from executive directors, to allow them to concentrate on the task in hand.	<p>Benefits may include special allowances (e.g. car allowance, meal allowance, hardship allowance, director allowance), medical insurance, dental insurance.</p> <p>Professional indemnity and directors' and officers' liability insurance covers are maintained for all executive directors.</p> <p>Executive directors who are required to move for a business reason may, where appropriate, also be provided with benefits such as relocation benefits (e.g., the provision of temporary accommodation, transport, etc.).</p> <p>On an exceptional basis, other appropriate benefits over and above what is mandated by the local law of the jurisdiction where the executive</p>	Benefits are not generally expected to be a significant part of the remuneration package in financial terms and are there to support the director in his or her performance in the role. In general, benefits will be restricted to the typical level in the relevant market for an executive director.

		directors are based, may also be provided from time to time at the discretion of the Nomination and Remuneration Committee.	
Pension	To provide for post-retirement remuneration, and ensure that the total package is competitive and aids retention.	All executive directors are considered for the pension benefits in the jurisdiction of their employment.	The pension is based on local law requirements; this varies according to country regulations.

Policy table: non-executive directors

Element	Purpose and link to strategy	Operation	Potential value and performance measures
Fees	To attract non-executive directors who have a broad range of experience and skills to oversee the implementation of our strategy.	<p>Non-executive directors are paid a base fee each year.</p> <p>Non-executive director fees are reviewed every year. Any increase will take into account the market rate for the relevant positions within the comparator group of similarly sized companies with a comparable international presence and geographic spread, the experience of the individuals and the expected time commitment of the role.</p> <p>In exceptional circumstances, additional fees may be payable to reflect a substantial increase in time commitment.</p> <p>Non-executive directors are expected to devote such time as is necessary for the proper performance of their duties. Overall, it is anticipated that non-executive directors will spend a minimum of two days a month on work for the Company.</p>	Not applicable
Variable remuneration	Variable remuneration is designed to ensure that non-executive directors take decisions in the interest of the longer-term success of the Company. Having measures that look at profitable growth and performance relative to a comparator group over the longer term ensures that the interests of executive directors are aligned with shareholder wishes for long term value.	Directors are eligible for variable remuneration based on target-linked and goal-linked measures.	The Nomination and Remuneration Committee will review any variable remuneration, where performance assessment and risk adjustment will be assessed in relation to each performance period.

THE LONDON TUNNELS LTD
FOR THE YEAR ENDED 31 MARCH 2025

Expenses	The purpose is to align with normal market practices.	The Company will reimburse the non-executive directors for all reasonable expenses (including any tax thereon) incurred whilst carrying out duties for the Company.	Not applicable
Insurance	The purpose is to align with normal market practices.	Professional indemnity and directors' and officers' liability insurance covers are maintained for all non-executive directors.	Not applicable

THE LONDON TUNNELS LTD
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2025

		Year ended 31 March 2025	Year ended 31 March 2024 (restated)
	Notes	£	£
Other income	3	51,000	1,644
Administrative costs	4	(3,734,139)	(2,495,579)
Investment property revaluation	10	6,418,504	-
Operating profit/(loss)	4	<u>2,735,365</u>	<u>(2,493,935)</u>
Interest receivable		91,655	-
Finance costs	6	(659,882)	(2,439,405)
Profit/(loss) before tax		<u>2,167,138</u>	<u>(4,933,340)</u>
Income tax expense	7	(866,376)	-
Profit/(loss) for the year after tax		<u>1,300,762</u>	<u>(4,933,340)</u>
Total comprehensive profit/(loss) for the year attributable to equity shareholders		<u>1,300,762</u>	<u>(4,933,340)</u>
Earnings per share attributable to equity holders of the company			
- Basic and diluted earnings per share	8	0.02p	(11.0p)

The results above have been derived from continuing operations.

The notes on pages 41 to 66 are an integral part of these financial statements.

The Statement of Profit or Loss and Other Comprehensive Income Financial Position for the year ended 31 March 2024 has been restated, see note 23.

THE LONDON TUNNELS LTD
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2025


		31 March 2025	31 March 2024 (restated)
	Notes	£	£
Non-current assets			
Tangible assets	9	51,939	-
Investment property	10	21,500,000	-
Intangible assets	12	-	6,191,500
Trade and other receivables	13	1,302,479	1,200,000
Total non-current assets		22,854,418	7,391,500
Current assets			
Trade and other receivables	14	1,098,257	1,406,929
Cash and cash equivalents		1,034,559	2,627,961
Total current assets		2,132,816	4,034,890
Total assets		24,987,234	11,426,390
Capital and reserves			
Share capital	15	69,970	59,075
Prepaid share reserve	15	-	5,396,044
Share premium	15	21,102,110	
Accumulated Profits/(losses)		(5,599,623)	(6,900,386)
Total equity		15,572,457	(1,445,267)
Non-current liabilities			
Borrowings and other debts	16	5,788,224	9,985,595
Lease liability	11	1,178,520	-
Deferred taxation	21	866,376	-
Total non-current liabilities		7,833,120	9,985,595
Current liabilities			
Lease liability	17	90,000	-
Trade and other payables	18	1,491,657	1,395,062
Provisions	19	-	1,491,000
Total current liabilities		1,581,656	2,886,062
Total liabilities		9,414,776	12,871,657
Total equity and liabilities		24,987,234	11,426,390

The notes on pages 41 to 66 are an integral part of these financial statements.

The Statement of Financial Position at 31 March 2024 has been restated, see note 23.

These financial statements were approved by the Board of Directors and authorised for issue on 23 December 2025.

They were signed on its behalf by:


A S D Murray - Director
Company Registration No. 13160590

THE LONDON TUNNELS LTD
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2025

		Year ended 31 March 2025	Year ended 31 March 2024 (restated)
	Notes	£	£
Profit/(loss) for the year before tax		2,167,138	(4,933,340)
Adjustments for: Finance income		(91,655)	-
Finance costs	6	659,882	2,439,405
Investment property revaluation	10	(6,418,504)	-
Operating cash flows before movements in working capital		(3,683,139)	(2,493,935)
Movement in trade and other payables		77,138	(2,464,590)
Movement in trade and other receivables		308,674	877,710
Provision settled		(1,491,000)	-
Cash used in operations before interest and tax paid		(4,788,327)	(4,080,815)
Finance income		91,655	-
Net cash used in operating activities		(4,696,672)	(4,080,815)
Investing activities			
Tangible assets purchases	9	(51,939)	-
Leasehold purchase transactions costs	10	(33,959)	-
Amount advanced to Group company	13	(7,098,700)	-
Intangible asset additions	12	(564,666)	-
Additions to intellectual property	12	-	(2,961,386)
Net cash used in investing activities		(7,749,264)	(2,961,386)
Financing activities			
Proceeds from issue of zero-coupon convertible bonds	16	-	1,500,000
Proceeds from issue of shares	16	7,245,061	-
Proceeds from issue of convertible bonds	16	1,327,473	5,453,437
Proceeds from loan notes	16	2,280,000	-
Net cash from financing activities		10,852,534	6,953,437
Net (decrease) in cash and cash equivalents		(1,593,402)	(88,764)
Cash and cash equivalents at the beginning of year		2,627,961	2,716,725
Cash and cash equivalents at the end of the year		1,034,559	2,627,961

The notes on pages 41 to 66 are an integral part of these financial statements.

The Cash Flow Statement for the year ended 31 March 2024 has been restated, see note 22.

THE LONDON TUNNELS LTD
STATEMENT OF CHANGES IN EQUITY
AS AT 31 MARCH 2025

		Share capital	Share Premium	Prepaid share reserve	Accumulated losses	Total
	Notes	£	£	£	£	£
At 31 March 2023		32,400	-	-	(1,967,046)	(1,934,646)
Shares issued in the year	15	26,675	-	-	-	26,675
Prepaid share reserve	15	-	-	5,396,044	-	5,396,044
Loss and total comprehensive loss for the period		-	-	-	(4,090,049)	(4,090,049)
At 31 March 2024 as originally stated		59,075	-	5,396,044	(6,057,095)	(601,976)
Impact of prior year adjustment	23	-	-	-	(843,291)	(843,291)
At 31 March 2024 - restated		59,075	-	5,396,044	(6,900,386)	(1,445,267)
At 1 April 2024		59,075	-	5,396,044	(6,900,386)	(1,445,267)
Shares issued in the year	15	3,623	7,241,438	-	-	7,245,061
Conversion of Zero-Coupon Convertible Bonds April 2024	15	2,698	5,393,346	(5,396,044)	-	-
Conversion of Zero-Coupon Convertible Bonds July 2024	15	661	1,322,289	-	-	1,322,950
Conversion of Zero-Coupon Convertible Bonds August 2024	15	185	370,765	-	-	370,950
Conversion of Convertible Bonds	15	3,728	6,774,272	-	-	6,778,000
Profit for the year		-	-	-	1,300,762	1,300,762
At 31 March 2025		69,970	21,102,110	-	(5,599,624)	15,572,456

1. Company information

The London Tunnels Ltd (the **Company**) registered as a private company limited by shares and incorporated in England and Wales on 27 January 2021. On 2 November 2023, the Company re-registered as a public company in the name of The London Tunnels PLC and deregistered on 30 September 2025 and changed its name to The London Tunnels Ltd. The registered office address is 2nd Floor, Nicola Jane House, Southern Gate, Chichester, West Sussex, United Kingdom, PO19 8SE. The principal place of business address is 31-33 High Holborn, London, WC1V 6AX and 38-39 Furnival Street, London, EC4 1AB.

The principal activity of the Company is to develop the Kingsway Exchange Tunnels for a series of visitor attractions.

2. Basis of preparation

The Company Financial Statements have been prepared in accordance with IFRSs adopted pursuant to Regulation (EC) No. 1606/2002 and UK-adopted international accounting standards

The Company Financial Statements are prepared in Sterling, which is the functional currency of the Company. Monetary amounts in the Company Financial Statements are rounded to the nearest £.

The Company Financial Statements have been prepared under the historical cost convention, modified to include certain financial instruments and investment property at fair value. The principal accounting policies adopted are set out below.

2.1 Going concern

The financial statements have been prepared on a going concern basis. In assessing whether the going concern basis of accounting remains appropriate, the Directors have undertaken a detailed review of the Company's liquidity position, forecast cash flows and funding requirements to reach commercial viability.

The assessment incorporates current cash reserves and committed funding totalling £1.1m and forecast receipts of £8.7m primarily from the unsecured convertible bond programme established following the Company's corporate reorganisation in September 2025.

Exchange Tunnels Limited, a sister company, still owes £2 million ("the acquisition liability") for the original transfer of the property which is payable on demand. In the event that this amount was called the Company may need to raise funds to support Exchange Tunnels Limited in meeting this obligation.

In order to reach commercial viability additional capital expenditure will be required. In a base case the directors have estimated costs associated with phase 2 to be in the region of £12m across 2026 and 2027. Significant further capital expenditure of approximately £80m will be required to complete phase 3, for which the company is reliant on being able to raise additional funds.

The Directors have also taken into account early-stage commercial discussions and funding discussions with institutional lenders to finance the remaining phases of the project. While these opportunities have not been fully incorporated in the going concern assessment, they represent potentially viable future funding sources contingent upon the conclusion of commercial agreements with prospective counterparties.

Based on the above, the directors believe it remains appropriate to prepare the financial statements on a going concern basis. However, the need to raise additional funds to complete the development and potentially to fund the acquisition liability indicate the existence of a material uncertainty related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern and, therefore, that the company may be unable to realise their assets and discharge their liabilities in the normal course of business. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

2.2 Other income

Other income is recognised at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business net of discounts, VAT and other sales related taxes. The Other income arises solely in the United Kingdom.

2.3 Leases

The Company assess whether a contract contains a lease as defined by IFRS 16 Leases ("IFRS 16") at inception of a contract. A right of use asset and a corresponding liability are recognised with respect to all lease arrangements where it is the lessee, except for leases with a term of less than 12 months and leases with a value of less than £5,000. For these leases, the lease payment is recognised within operating expenses on a straight line basis over the lease term.

The judgement that the enforceable lease term is 125 years reflects the contractual arrangements with ETL and the absence of substantive termination options. Management assessed that neither party has realistic incentive to exercise

early termination rights, and therefore the full contractual term best represents the period over which economic benefits will be obtained.

The lease liability is initially measured at the present value of the lease payments at the commencement date, discounted using the rate implicit in the lease. If this rate cannot be readily determined, the incremental borrowing rate is used. This is defined as the rate of interest that the lessee would have to pay to borrow, over a similar term, and with a similar security the funds necessary to obtain an asset of a similar value to the right of use asset in a similar economic environment. This is based on the Company's non-bank funding rate.

The lease payments included in the measurement of the lease liability comprise fixed lease payments.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease, using the effective interest rate method, and reducing the carrying amount to reflect the lease payments made.

The lease liability is remeasured whenever:

- The lease term has changed, in which case the lease liability is remeasured by discounting the revised lease payments using the revised discount rate;
- The lease payments change due to changes in an index or rate, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate; and
- The lease contract is modified and the modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using the revised discount rate.

The Company did not make any such adjustments during the year.

The right of use asset comprises the initial measurement of the corresponding lease liability and is subsequently measured at cost less accumulated depreciation and impaired losses.

Right of use assets are depreciated over the shorter period of lease term and useful life of the underlying asset.

The lease liability and right of use asset are presented as separate line items on the balance sheet. The interest on the lease and depreciation are charged to the Statement of comprehensive income and presented within finance costs and operating costs respectively.

Management have used their judgement in determining that the right-of-use asset arising from the lease of the Tunnels meets the definition of investment property under IAS 40, as it is held to earn rental-type income and for long-term capital appreciation. Accordingly, the Company applies the fair value model in IAS 40 to this right-of-use asset.

At initial recognition, the asset and corresponding lease liability are measured in accordance with IFRS 16. Immediately thereafter, because the asset meets the criteria for investment property, it is reclassified to investment property and is subsequently measured at fair value, with changes in fair value recognised in profit or loss in accordance with IAS 40.

Only the initial measurement requirements of IFRS 16 apply. The subsequent-measurement requirements of IFRS 16 (depreciation) do not apply once the asset is accounted for as investment property under the fair value model.

2.4 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand and deposits held at call with banks.

2.5 Financial instruments

Financial instruments are recognized when the Company becomes party to the contractual provisions of the instrument.

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

Basic financial assets

Basic financial assets, which include receivables and cash and bank balances, are initially measured at transaction price, including transaction costs, and are subsequently carried at amortized 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. Financial assets classified as receivable within one year are not amortized.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all its liabilities.

Basic financial liabilities

Basic financial liabilities, including payables and loans from fellow group companies, are initially recognized at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortized.

Debt instruments are subsequently carried at amortized 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. Amounts 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 recognized initially at transaction price and subsequently measured at amortized cost using the effective interest method.

Financial instruments

Management judgement is required in determining the classification of the Zero-Coupon Convertible Bonds and Convertible Bonds whether as financial liability or as equity instruments. Management estimation is applied in determining the appropriate discount rate to be used in calculating the present value of the financial liability component of convertible bonds. The liability component of bonds is measured at amortized cost, and the difference between the carrying amount of the liability at the date of issue and the amount reported in the Statement of Financial Position represents the finance charge for the reporting period. The nominal value of the equity component of the bonds is credited to Share Capital with the remainder being credited to Share Premium within equity in the Statement of Financial Position.

For debt-for-equity swaps involving Zero-Coupon Convertible Bonds, upon conversion, the Zero-Coupon Convertible Bonds are derecognized from the Statement of Financial Position. The carrying amount of the Zero-Coupon Convertible Bond liability includes the amortized cost of the debt at the date of conversion. Equity instruments issued in the transaction are measured at their fair value at the date of the conversion and if the fair value of the equity instruments cannot be reliably measured, the fair value of the extinguished liability is used as the basis. The difference between the carrying amount of the liability extinguished and the fair value of the equity instruments issued is recognized as a gain or loss in the Statement of Profit or Loss and Other Comprehensive Income.

2.6 Compound instruments

The component parts of compound instruments issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date. The equity component is determined by deducting the amount of the liability component from the fair value of the compound instrument. This is recognized and included in equity net of income tax effects and is not subsequently remeasured.

2.7 Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognized as liabilities once they are no longer at the discretion of the Company.

2.8 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial, and financial feasibility can be demonstrated.

2.9 Tangible assets

Tangible assets are stated at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset only when it is probable that future economic benefits associated with the item can be measured reliably.

Depreciation is calculated to write down assets to their estimated realisable value over their useful economic lives, expected to commence once the Company starts to receive an economic benefit. Depreciation is charged to profit or loss on a straight-line basis over the estimated useful life of the assets.

Tangible asset additions comprise plant and equipment and management has determined this asset to have a useful economic of 10 years.

Land is not depreciated.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in the income statement.

2.10 Intangible assets

Intangible assets acquired separately from a business are recognized at cost and are subsequently measured at cost less accumulated amortization and accumulated impairment losses. Amortization will be recognized so as to write off the cost of assets less their residual values over their estimated useful lives once the relevant assets are brought into use. The Directors do not expect this to begin before 2027.

2.11 Impairment of non-current assets

At each reporting period end date, the Directors review the carrying amounts of the Company's tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Directors estimate the recoverable amount of the Company's cash-generating unit to which the asset belongs. For intangible assets that are not yet available for use, the recoverable amount is estimated at each statement of financial position date and when there is an indication that the asset is impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

2.12 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax

Deferred tax liabilities are generally recognized for all timing differences and deferred tax assets are recognized to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realized. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the Company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

2.13 Significant 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 relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized 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 periods.

THE LONDON TUNNELS LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

Significant areas of judgement and estimation uncertainty include:

- Measurement of intellectual property and development assets.
- Classification and fair value measurement of investment property.
- Assessment of linked lease–loan transaction with Exchange Tunnels Limited.
- Allocation of impairment to Right-of-Use (ROU) asset rather than recognition of ECL.

Measurement of intellectual property and development assets

The assessment of costs capitalized as intangible assets to generate future taxable benefits - Judgment is applied in assessing whether costs incurred, both internal and external, will generate future economic benefits. In determining whether the intangible asset arising from the development phase of the project is capitalized, management have assessed the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.

Development spend encompasses capitalised borrowing costs, engineering and architectural fees and £584,123 has been capitalised as an intangible asset during the year, relating to expenditure incurred towards the development of the Tunnels. Marketing and other ongoing operating expenses are expensed as incurred. The costs directly incidental to the development of the Tunnels are capitalized as intangible assets, where the assets they represent has demonstrable value and the technical and commercial feasibility is assured. Costs eligible for capitalization must be incremental, clearly identified and directly attributable to development of Tunnels.

Classification and fair value measurement of investment property The Tunnel assets have been classified as investment property in accordance with IAS 40, as they are held primarily to generate income and for capital appreciation. The Company earns income through a combination of rental arrangements and a share of revenue, which is treated as rental income for accounting purposes.

Although the Company undertakes certain operational and maintenance activities, these do not alter the underlying purpose of ownership. Judgement was applied by management in determining that the Tunnel asset should be classified as investment property rather than as a Right of Use asset at cost less impairment.

Management exercised significant judgement in determining that certain costs previously recognised as intangible assets should be reclassified and included within the valuation of investment property. These costs were directly related to the development of the tunnels. Accordingly, these were capitalised as intangible assets in the previous year and reclassified as part of the cost of the ROU asset established when the lease was entered into in the current year, prior to its remeasurement to fair value as an investment property . Accordingly, management determined that it is appropriate to include these items within the carrying value of investment property and measure them as part of the fair value of investment property in accordance with IAS 40, rather than accounting for them separately under IAS 38.

The fair value of investment property was determined by external, independent property valuers, having appropriate recognized professional qualifications and recent experience in the location and category of the property being valued. The independent valuers will provide the fair value of the Company's investment property portfolio annually.

Preparation of the financial statements requires the use of estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. The estimates that have the most significant risk of resulting in a material adjustment within the next financial year relate to the fair value measurement of the tunnel investment property.

Fair value of investment property (IFRS 13)

The tunnels are carried at fair value of £21.5 million, requiring the use of significant Level 3 unobservable inputs. Due to the unique subterranean nature of the asset and limited comparable market data, valuations are subject to a high degree of estimation uncertainty. The key assumptions include:

- Turnover and market rent % to arrive at market rent
- Yield
- Developers' profit
- Forecasted development costs

Reasonably possible changes in these assumptions could materially impact the valuation. Sensitivity analysis is provided in Note 10.

RICS “Material valuation uncertainty”

The external valuer has included a material valuation uncertainty clause in accordance with VPS 3 and VPGA 10 of the RICS Red Book. This reflects the limited availability of directly comparable market evidence and investment transactions for assets of this nature. This does not invalidate the valuation but indicates that a higher degree of judgement has been applied.

The fair value measurements for the investment property have been categorized as a Level 3 fair value based on the inputs to the valuation technique used. Level 3 is determined as appropriate where the inputs for the property are not based on observable market data (unobservable inputs).

Valuation technique

Starting with the IFRS 13 definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The valuer adopted the residual value method in assessing fair value. The method bases its calculation by reference to the estimated rental value for the property and the application of appropriate market yields to derive a value of the developed property, from which estimated costs of development are deducted.

Management judged that the current use of the tunnels as income-generating commercial infrastructure reflects their highest and best use under IFRS 13. This assessment considers physical characteristics, legal restrictions and market feasibility.

Assessment of linked lease–loan transaction with Exchange Tunnels Limited.

The Company has provided an £8m loan to Exchange Tunnels Limited to enable that entity to acquire the freehold of a property for a price of £10m from British Telecom, which has subsequently been leased to the Company under a non-arm’s-length lease. Although the loan and the lease arrangement are formally separate, their purpose, timing and cash-flow dependencies are directly connected. The loan would not have been advanced without the intended lease, indicating that both elements are commercially linked.

In applying the IFRS principle of substance over form, management has considered the loan and lease together. The lease is accounted for under IFRS 16 based on the present value of lease payments of £1.3m, while the intra-group loan is assessed under IFRS 9 for classification, measurement and recoverability, and has been impaired to £1.3m. Any non-arm’s-length features of the loan and the lease are evaluated to determine whether they represent a capital contribution or distribution within the group. Management therefore concludes that the loan and lease are linked for accounting assessment purposes, and this linkage has been reflected in determining discount rates, assessing recoverability and ensuring that the accounting treatment reflects the underlying commercial substance of the arrangement. See Note 21.

Allocation of impairment to Right-of-Use (ROU) asset

The Company has assessed the recoverability of its loan arising under the arrangements above.

Due to the linked lease–loan transaction with a group company, the impairment adjustment has been reflected as an addition to the cost of the ROU asset. This approach reflects the substance of the transaction: the impairment is considered as part of the cost of the ROU asset.

Subsequently the ROU asset is presented at fair value (the fair value adjustment taking into account the difference between the price paid by the fellow group company and the loan advance by the Company), the lease liability remains measured under IFRS 16. This treatment ensures that the financial statements reflect the economic substance of the linked lease–loan arrangement and the recoverable value of the loan and the fair value of the ROU asset.

2.14 Segmental analysis

The business of the Company comprises of one operating segment being the proposed development of the Tunnels as set out under "Company Information" above.

As such, the Company Financial Statements of the segment are the same as that set out in the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the Statement of Cash Flows.

2.15 Changes to IFRS not yet adopted

During the financial year, the Company adopted all new and amended International Financial Reporting Standards (IFRS) and Interpretations issued by the International Accounting Standards Board (IASB), as adopted by the UK, that are relevant to its operations and effective for accounting periods beginning on or after 1 April 2024. The adoption of these standards and interpretations has not had a material impact on the Company’s financial statements, except where otherwise disclosed.

Standards and Interpretations Issued But Not Yet Effective

As of the reporting date, certain new standards, amendments to standards, and interpretations have been issued by the IASB and are pending a

option in the EU. The Company has not early adopted these pronouncements. The most significant of these are:

- **IFRS 18: Presentation and Disclosure in Financial Statements**
Effective for annual periods beginning on or after 1 January 2027.
 IFRS 18 introduces a new structure for the statement of profit or loss, requiring entities to present income and expenses in defined categories and to disclose management-defined performance measures. This standard aims to enhance comparability and transparency in financial reporting.
- **IFRS 19: Subsidiaries without Public Accountability—Disclosures**
Effective for annual periods beginning on or after 1 January 2027.
 IFRS 19 permits eligible subsidiaries to apply reduced disclosure requirements, provided their parent company prepares consolidated financial statements in compliance with IFRS. This standard is designed to ease the reporting burden on subsidiaries without public accountability.
- **Amendments to IFRS 9 and IFRS 7: Classification and Measurement of Financial Instruments**
Effective for annual periods beginning on or after 1 January 2026.
 These amendments address the classification and measurement of financial assets and liabilities, including those with environmental, social, and governance (ESG)-linked features. They also provide guidance on derecognition of financial liabilities settled through electronic transfers.
- **Amendments to IFRS 9 and IFRS 7: Contracts Referencing Nature-dependent Electricity**
Effective for annual periods beginning on or after 1 January 2026.
 These amendments clarify the accounting for contracts that reference nature-dependent electricity, such as power purchase agreements for renewable energy. They provide guidance on classification, measurement, and disclosure of such contracts.
- **Annual Improvements to IFRS Standards—Volume 11**
Effective for annual periods beginning on or after 1 January 2026.
 This cycle of annual improvements includes minor amendments to several standards, aiming to clarify wording and correct unintended consequences or conflicts between requirements.

The Company is currently assessing the impact of these forthcoming standards and amendments on its financial statements. At this stage, none of the issued but not yet effective standards are expected to have a material impact on the Company’s financial position or results, although they may result in changes to the presentation and disclosure of certain items. This assessment is ongoing.

3. Other income

Detailed below are the key amounts recognised in arriving at the other income for the year;

	Year ended 31 March 2025	Year ended 31 March 2024
	£	£
Other income	51,000	1,644

The Other income earned during the year was from both a related, and a third party.

4. Operating profit/(loss)

Detailed below are the key amounts recognised in arriving at the operating profit/(loss) for the year;

	Year ended 31 March 2025	Year ended 31 March 2024
	£	£
Employee benefit expenses	170,000	153,458
Employee social security costs	20,950	18,666
Contributions to money purchase pension scheme	1,321	1,468
Auditor's remuneration for the audit of these financial statements	299,112	267,661
Auditor's remuneration for non-audit services	37,000	15,000
Listing costs	1,443,506	1,242,695
Equity raising fees	597,664	198,125
Professional fees	401,316	-

The current year auditor's remuneration cost relates to amounts paid and accrued for KPMG LLP for the audit of these financial statements. The prior year auditor's remuneration cost relates to amounts paid to KPMG LLP for the audit of the prior period annual financial statements.

The current year listing costs relates to listing of the Company on Euronext in Amsterdam. The prior year listing costs relates to listing of the Company on Euronext in Amsterdam and previously the Company's previous intention to list on the London Stock Exchange.

The current year and prior year equity raising fees relate to raising funding to finance the business for expected future activities.

The current year professional fees relate to legal assistance provided to the Company throughout the current year.

5. Employee benefit expenses

Included below are the amounts in respect of the directors. Director's social security costs include a £5,000 credit for Employment Allowance, a government initiative that allows eligible employers to reduce their National Insurance liability by up to £5,000 for the 2023/24 and 2024/25 tax year.

	Year ended 31 March 2025	Year ended 31 March 2024
	£	£
Directors' emoluments	170,000	153,458
Directors' social security costs	20,950	18,666
HMRC Class 1 National Insurance Employer Allowance	(5,000)	(5,000)
Contributions to money purchase pension scheme	1,321	1,468

The number of directors accruing benefits under pension schemes was as follows:

Money purchase schemes	1	1
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Included below are the amounts in respect of the highest paid director:

	Year ended 31 March 2025	Year ended 31 March 2024
	£	£
Directors' emoluments	140,000	133,958
Directors' social security costs	18,065	17,231
Contributions to money purchase pension scheme	1,321	1,468

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The Company had 5 directors in the year (2024: 5), the Chair and Independent Directors elected not to receive any remuneration until such time as this is reviewed by the Nomination and Remuneration Committee. There were no other employees in the Company in the current year and prior year.

6. Finance costs

	Year ended 31 March 2025	Year ended 31 March 2024 (restated)
	£	£
Finance costs relating to Zero coupon convertible bonds expensed to profit or loss	357,189	2,169,737
(Reversal of) Finance costs relating to Convertible bonds expensed to the profit and loss	(73,775)	70,865
Finance costs relating to intercompany loan measured at amortised cost	303,432	198,803
Finance costs relating to Loan notes 2024 10%	73,036	-
	659,882	2,439,405

Borrowing costs incurred in the year and capitalised to qualifying assets have been disclosed in Note 12 below.

7. Taxation

The actual charge/(credit) for the year can be reconciled to the expected charge/(credit) for the year based on the profit or loss and the standard rate of tax as follows:

	Year ended 31 March 2025	Year ended 31 March 2024 (restated)
	£	£
Profit (Loss) before taxation for the year	2,167,138	(4,933,340)
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 25.00% (2024: 25.00%)	541,784	(1,233,335)
Expenses not deductible for tax purposes	674,914	972,556
Unutilised tax losses carried forward	-	260,779
Tax losses previously not recognised	(350,322)	-
Taxation charge for the period	866,376	-

Deferred tax	Year ended 31 March 2025	Year ended 31 March 2024 (restated)
	£	£
Deferred tax charge	1,604,626	-
Tax losses recognised	(738,250)	-
Total deferred tax (note 20)	866,376	-
Tax on profit/(loss) for the year	866,376	-

The tax charge (2024: tax credit) on the profit before taxation (2024: loss before taxation) for the year is higher than (2024: lower than) the standard rate of corporation tax in the UK of 25% (2024: 25%).

8. Earnings per share

The calculation of basic earnings per share is based on profit or loss for the year divided by the weighted average number of ordinary shares in issue during the year.

	Year ended 31 March 2025	Year ended 31 March 2024 (restated)
Basic earnings per share		
Weighted average number of shares (units)	67,136,280	45,272,000
Profit/(Loss) for the year after tax from continuing operations (£)	1,300,762	(4,933,340)
Basic earnings per share (pence)	0.02	(11.0)

The Company has potential ordinary shares in the form of zero-coupon convertible bonds. These could potentially dilute basic earnings per share in the future but were not included in the calculation of diluted earnings per share because they are antidilutive for this year and the prior year. As such, diluted earnings per share are equal to basic earnings per share.

9. Tangible assets

	Leasehold improvements	Total
Cost	£	£
At 1 April 2023	-	-
Additions	-	-
At 31 March 2024	-	-
Accumulated depreciation		
At 1 April 2023	-	-
Charged to statement of Comprehensive income	-	-
At 31 March 2024	-	-
Net book value 31 March 2024	-	-
	Leasehold improvements	Total
Cost	£	£
At 1 April 2024	-	-
Additions	51,939	51,939
At 31 March 2025	51,939	51,939
Accumulated depreciation		
At 1 April 2024	-	-
Charged to statement of Comprehensive income	-	-
At 31 March 2025	-	-
Net book value 31 March 2025	51,939	51,939

Leasehold improvements represent expenditures incurred to modify or enhance leased properties. Depreciation will be recognised so as to write off the cost of assets less their residual values over their useful lives (expected to be 100 years) once the relevant assets are brought into use. The Directors do not expect this to begin before 2027.

No depreciation has been provided as the asset expenditure was incurred in the last months of the year and is incomplete and not in operation.

10. Investment Property and Right of Use Asset - Fair Value Measurement

The tunnel assets leased from Exchange Tunnels Limited (“ETL”) are classified as investment property because they are held to earn rental income through long-term leasing and access arrangements and are not occupied or used by the Company for its own administrative and other purpose.

The fair value of the investment property at 31 March 2025 was £21,500,000 (2024: £Nil). A fair value gain of **£6,418,504** (2024: £Nil) was recognised in profit or loss.

Where a right-of-use (“ROU”) asset arises under IFRS 16 *Leases* and the underlying asset meets the definition of investment property, the ROU asset is subsequently measured at fair value in accordance with IAS 40.

Fair value hierarchy

The fair value measurement of the investment property has been categorized within Level 3 of the IFRS 13 fair value hierarchy, as the valuation uses significant unobservable inputs.

	Level 1 £	Level 2 £	Level 3 £	Total £
Investment property	–	–	21,500,000	21,500,000

There were no transfers between fair value hierarchy levels during the year.

Valuation technique - Residual Value Method

The valuation was performed by an external, independent RICS-regulated valuer with recent and relevant experience in valuing comparable infrastructure and commercial assets. Management reviews and challenges the valuation methodology, inputs and assumptions as part of the year-end financial reporting process.

Starting with the IFRS 13 definition, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Given the absence of directly comparable market transactions, the valuation was performed using the residual valuation method. Under this method, the estimated value of the completed development is determined by reference to forecast income and market yields and reduced by estimated development costs, financing costs and an appropriate developer’s profit to arrive at the residual value of the asset.

The forecast income used in the residual valuation was derived from expected operational rents and capitalised using an appropriate market yield. The residual valuation method is considered appropriate for specialised development assets where observable market evidence is limited.

The valuation has been reviewed by management and the Audit Committee.

Significant unobservable inputs (Level 3)

Significant unobservable input	Quantitative value	Description / impact on fair value
Market rent (which is derived using turnover multiplied by the market rent %)	12% of turnover	Higher rental assumptions increase fair value
Yield	6.75%	If the yield were lower (higher), fair value would increase (decrease)
Developers profit	20%	If developers profit was reduced, fair value would increase
Forecast development costs	£81m	If forecast development costs were reduced, fair value would increase

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Sensitivity analysis

The following table shows the sensitivity of fair value to reasonably possible changes in unobservable inputs:

Assumption Change	Increase/(decrease) in fair value (£m)
10% decrease in Turnover and market rent	(13.5m)
0.25% decrease in Yield	2.5m
5% decrease in developers profit	3.8m
5% decrease in forecast development costs	5.1m

Level 3 reconciliation

A reconciliation of the carrying amount of the investment property classified within Level 3 is as follows:

	2025
	£
Additions and intangible assets transferred (note 12)	6,782,796
Impairment of group receivable	6,996,221
Right of use lease asset transferred (note 11)	1,302,479
Fair value gain recognised in profit or loss	6,418,504
Closing balance	21,500,000

Measurement of Right-of-Use asset reclassified to investment property

On 31 March 2025, the Company entered into a 125-year lease agreement with Exchange Tunnels Limited.

The Company recognised a Right-of-Use (ROU) asset in accordance with IFRS 16, which meets the definition of investment property under IAS 40.

	Investment property	Right of Use asset	Total
	£	£	£
At 1 April 2024	-	-	-
Additions (note 11 and note 12)	6,782,796	1,302,479	8,085,275
Impairment of group receivable	6,996,221	-	6,996,221
Fair value adjustment	6,418,504	-	6,418,504
At 31 March 2025	20,197,521	1,302,479	21,500,000

The prior-year balance was £nil, as neither the lease nor the tunnel acquisition had occurred.

Because the lease commenced on the last day of the financial year, no depreciation or lease interest expense was recognised in the current year.

Highest and best use

The asset's current use as an underground commercial visitor-attraction infrastructure asset reflects its highest and best use, as market participants would not derive greater value from an alternative use.

Valuation uncertainty

Due to the unique nature of underground tunnel infrastructure, observable market evidence is limited. As a result, the valuation includes a higher degree of estimation uncertainty.

Key judgements related to fair value (IFRS 13 + IAS 1)

The valuation requires significant judgement in:

- Determining future turnover and market rent
- Selecting an appropriate yield rate
- forecasting development costs
- Estimating developers profit margins

These judgements materially affect the reported fair value.

11. Lease liability

Lease maturity analysis (undiscounted payments)

In compliance with IFRS 16.58, the table below presents undiscounted future lease cash flows:

Lease payments are subject to CPI-indexed rent reviews every five years. The lease liability measurement includes CPI as at the lease commencement date, in accordance with IFRS 16, but does not incorporate future CPI forecasts.

The Lease liability commitments as at the commencement of the lease are as follows:

	£
Due within one year	90,000
Due between two and five years	360,000
Due in more than five years	10,800,000
Total payable	11,250,000
Interest over the lease term	(9,981,480)
Total lease liability	1,268,520
Stamp duty and legal fees paid	33,959
Total ROU asset	1,302,479

Total lease liability of £1,268,520 comprises current liabilities of £90,000 and non-current liabilities of £1,178,520

The Lease agreement was signed and commenced on 31 March 2025. There was no interest to recognize in the profit or loss, and no cash outflow to recognise in the cashflow statement.

The maturity analysis of the Lease liability includes regular rent increases over the lease period in accordance with the lease agreement, but has not been discounted.

In accordance with the lease agreement, the lease will be subject to a rent review every five years based on the CPI index.

Significant judgements

Management exercised significant judgement in applying IFRS 16 to the lease of the tunnels from Exchange Tunnels Limited (“ETL”). Please refer to note 10.

Remeasurement of the right-of-use asset

The right-of-use asset recognised immediately before its transfer to investment property was £8.3 million, comprising:

- £1.3 million initial measurement under IFRS 16; and
- £7.0 million adjustment arising from the linked lease–loan transaction. (Note 14)

This adjustment did not arise from changes in lease payments under IFRS 16.39–46, but from the accounting for the financing advance provided to ETL to acquire the tunnels.

Depreciation and Interest

As the right-of-use asset commenced on 31 March 2025, no depreciation expense and no interest expense were recognised in the period.

No lease-related cash outflows occurred during the period.

Lease Liability

The lease liability recognised at 31 March 2025 was £1.3 million, representing the present value of future lease payments discounted at the Company’s incremental borrowing rate.

The discount rate applied was 7.42%, determined as the Company’s incremental borrowing rate adjusted for the non-arm’s-length nature of the arrangement.

As the lease commenced on 31 March 2025 and no payments were made in the period, there were no movements in the lease liability other than initial recognition.

12. Intangible assets

	2024
	£
Cost	
At 1 April 2023	-
Additions	5,880,859
Capitalised borrowing costs	<u>310,641</u>
At 31 March 2024	6,191,500
Carrying amount	
At 31 March 2024	6,191,500
At 1 April 2023	-
	2025
	£
Cost	
At 1 April 2024	6,191,500
Additions	584,123
Capitalised borrowing costs	7,173
Transfer to investment property (note 10)	(6,782,796)
At 31 March 2025	-
Carrying amount	
At 31 March 2025	-
At 1 April 2024	6,191,500

During the year, further development costs relating to the development of the Tunnels amounting to £584,123 (2024 £3,308,777) have been capitalised as these costs are directly attributable to the development of the Tunnels and are necessary to create, produce and prepare the asset capable of operating in a manner intended by management and therefore were appropriate to capitalise these costs. At the year end, £366,848 (2024 £347,391) of development costs is included in trade and other payables, see note 18.

A capitalization rate of 17.2% was applied, representing the weighted average borrowing costs applicable to the Group's outstanding borrowings during both the current year and the prior year. This rate was used to determine the portion of borrowing costs eligible for capitalisation, ensuring an accurate allocation of financing expenses.

During the financial year up to 31 December 2023, Cupcake Partners Limited transferred Intellectual Property Rights in a proposed operation of a visitor attraction in the Tunnels to the Company, through an intellectual property sale agreement ('IPSA'). The intellectual property encompasses a range of essential components, including model architectural design reports, additional architectural diagrams, feasibility reports on tunnel ventilation, vertical transport studies, fire engineering reports, and conceptual visitor experience reports. Under the IPSA, Cupcake has transferred the Intellectual Property Rights for a consideration of £12,000,000, being (i) £7,000,000 as a capital contribution; and (ii) £5,000,000 as a non-interest bearing loan effective from 10 July 2023. Under the IPSA, the outstanding balance of the £5,000,000 loan is non – interest bearing and prior to 31 December 2029, may be repaid at the option of the Company, either partially or in full. In line with the requirements of IAS 38, Intangible Assets, the cost of the intangible asset acquired is the cash paid or the fair value of the consideration and accordingly, the capital contribution of £7,000,000 is not recognised in the cost of the intangible asset capitalised during the prior year.

As the payment towards the intangible asset is deferred beyond normal credit terms i.e. 31 December 2029, the Directors have recognised the intangible asset at the cash price equivalent at the date of acquisition. To arrive at the cash price equivalent of the £5,000,000 loan to be settled in 2029, a discount rate of 10.8% has been used to determine the current cash price and accordingly the intellectual property acquired from Cupcake was measured at £2,572,082 (note 20).

During the year ended 31 March 2025, all intangible assets capitalised in the current and prior periods in respect of the IPSA were transferred to investment property when the assets became directly attributable to the development of the investment property. The carrying amount of these assets was reclassified accordingly and is included within investment property at 31 March 2025 (see note 10)

13. Non-current trade and other receivables

	2025	2024
	£	£
Amounts owed by group undertakings	1,302,479	1,200,000
	1,302,479	1,200,000

On 29 November 2024, the Company advanced an additional £7,098,700 to Exchange Tunnels Ltd. Exchange Tunnels Ltd used the funds to finance the freehold acquisition of the Tunnels and to pay associated legal and other professional costs.

Included within Amounts owed by group undertakings which is unsecured, non-interest bearing, have no fixed date of repayment and are repayable on demand Management does not expect to receive these amounts within 12 months and therefore this is classified as a non current asset.

Linked lease-loan transaction and impact on the Right-of-Use asset

The advances to Exchange Tunnels Limited (“ETL”) were made to fund ETL’s acquisition of the freehold tunnel assets and formed part of a wider linked transaction under which the tunnels were leased to the Company under a 125-year agreement commencing 31 March 2025.

In applying IFRS 16 and IFRS 9 to this linked arrangement, management concluded that the economic substance is that part of the consideration advanced to ETL represents the effective cost of securing long-term rights to the asset. Accordingly, instead of recognising an expected credit loss against the receivable, the Company has recognised a £7 million impairment adjustment within the Right-of-Use (“ROU”) asset, representing the portion of the loan advance that does not give rise to a recoverable financial asset under IFRS 9.

After this adjustment, the carrying amount of the receivable from ETL at 31 March 2025 is £1,302,479, while the impairment has been reflected in the initial measurement of the ROU asset as required by IFRS 16.24–27

14. Current trade and other receivables

	2025	2024
	£	£
Prepayments	54,891	357,572
Deposits	880,000	880,000
Amounts owed by group undertakings	13,200	33,608
Other debtor	45,087	-
Other taxation	105,079	135,749
	1,098,257	1,406,929

Prepayments relate to monies extended to suppliers for services yet to be provided.

Other debtors of £45,087 are funds paid by the Company and held in escrow by Forsters LLP, in accordance with terms agreed with London Borough of Camden and City of London. These relate to legal fees payable by the Company for the completion of the S106 agreements associated with planning permissions. As part of the planning approval process, the Company is required to contribute to the associated legal costs.

Deposits relate to amounts held by a landlord in relation to property rentals. The Company has advanced EC1 Property Management Ltd £880,000 and EC1 Property Management Ltd has, in turn, paid an £820,000 non-refundable deposit to the current owner, a non-connected third party. Should the Company find an alternative, and more suitable, property, and not complete the purchase of this building, it may forfeit this deposit to the current owner. If the Company proceeds with the purchase, the deposit will be applied against the lease arrangements associated with the property.

Other taxation relates to recoverable VAT balances due to the Company as at year-end. These have been recovered in full post year-end.

Prepayments are recoverable through services to be received in the normal course of business and deposits are expected to be recovered in line with lease arrangements.

15. Share capital

	2025	2024
	£	£
Ordinary share capital		
Issued, called up and fully paid Ordinary shares of £0.001 each	69,970	59,075

A total of 10,895 ordinary shares were issued during the year through an issue of new shares and a conversion of debt for equity.

On 31 March 2024, a prepaid share reserve of £5,396,044 was recorded in equity to reflect the irrevocable commitment to convert Zero-Coupon Convertible Bonds into equity. This reserve represented the obligation to issue 2,698,044 ordinary shares to settle the liability.

On 8 April 2024, the Board approved the conversion of Zero-Coupon Convertible Bonds with a value of £5,396,044 into 2,698,022 ordinary shares of £0.001 each. The nominal amount of £2,698 was recognised as Share Capital with the remaining £5,393,346 being recognised as Share Premium.

On 26 June 2024, Convertible bonds with a value of £6,778,000 were converted to 3,727,900 ordinary shares. The nominal amount of £3,728 was recognised as Share Capital with the remaining £6,774,272 being recognised as Share Premium.

Two further conversions of Zero-Coupon Convertible Bonds were converted into equity during the year. On 19 July 2024, the Board approved a conversion with a value of £1,322,950 into 661,475 ordinary shares of £0.001 each and, on 9 August 2024, the Board approved a conversion with a value of £370,950 into 185,475 ordinary shares of £0.001 each. The nominal amounts of £661 and £185 were recognised as Share Capital with the remaining £1,322,289 and £370,765 being recognised as Share Premium.

16. Borrowings and other debts

	2025	2024
	£	(restated)
	£	£
Zero-coupon convertible bonds	410,371	1,739,908
Convertible bonds	-	5,524,302
Loan notes 2024 10%	2,353,036	-
Amounts owed to parent company	3,024,817	2,721,385
	5,788,224	9,985,595

An analysis of total debt relating to convertible bonds is as shown below:

	2025	2024 (restated)
	£	£
Zero-coupon convertible bonds	410,371	1,739,908
Convertible bonds	-	5,524,302
	410,371	7,264,210

The zero-coupon convertible bonds and the convertible bonds are classified as financial liabilities and are measured at amortised cost using the effective interest rate method.

Full redemption of the Zero-Coupon Convertible Bonds is not due until 1 October 2026, and are redeemable at £1,000 per Zero Coupon Convertible Bond.

In addition, under the terms of the agreement, the Company and ILCF may agree to the early cash redemption of any remaining outstanding balance of the Zero-Coupon Convertible Bonds, being £410,371 (the remaining par value) following the Listing, and that the cash amount, receivable by ILCF, be applied to subscribe for further new Ordinary Shares at £2.00 per share. This would result in the issue of up to a further 205,186 Ordinary Shares.

The Convertible Bonds were transferable only with the consent of the Company and were issued subject to the following conditions:

- The Convertible Bonds were transferable only with the consent of the Company.
- The Convertible Bonds then in issue (so far as not converted) shall be redeemed at the Principal Amount outstanding on the Maturity Date;
- The Company may pre-pay the Convertible Bonds by redeeming them in whole or in part at any time, by giving

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- not less than 14 days' notice in writing to the relevant Convertible Bondholders;
- Upon the occurrence of any event of default under the Convertible Bond Instrument, the Convertible Bonds held by a Convertible Bondholder then in issue shall automatically (unless otherwise agreed in writing by such Convertible Bondholder) be redeemed at the Principal Amount;
- Prior to the Listing Date, the Company gave notice to the relevant Convertible Bondholders, and the Principal Amount of the Convertible Bonds converted into Ordinary Shares on the business day prior to the Listing Date;
- The Board converted the Principal Amount of the Convertible Bonds at the admission price of £2 and at a ratio of 110% of the new Ordinary Shares were acquired by applying the outstanding amount of principal.

Amounts owed to parent company are unsecured, non-interest bearing and is repayable on 31 December 2029. The amounts owed to parent company may be repaid prior to 31 December 2029, at the option of the Company, either partially or in full.

Prior period restatements were noted in the zero-coupon convertible bonds balance reported within borrowings. Refer to Note 22 for restatements made.

A reconciliation of changes in liabilities arising from financing activities is as shown below.

	2025	2024
		(restated)
	£	£
Balance at 01 April 2024	9,985,596	3,164,650
<i>Cash adjustments:</i>		
Zero-coupon convertible bonds issued in the year	-	1,500,000
Convertible bonds issued in the year	1,327,473	5,524,302
Loan notes 2024 10%	2,280,000	-
<i>Non-cash adjustments:</i>		
Finance costs of Zero Coupon Convertible Bonds capitalised to borrowings	364,362	2,409,513
Finance costs of Convertible Bonds capitalised to borrowings	(73,775)	70,865
Finance charges capitalised to Loan notes 2024 10%	73,036	-
Zero-coupon convertible bonds converted to equity in the year	(1,693,900)	(5,396,044)
Convertible bonds converted to equity in the year	(6,778,000)	-
Shares issued per the terms of the Zero-Coupon Convertible Bond	-	(9,075)
Loan received from parent company	303,432	2,721,385
Balance at 31 March 2025	5,788,224	9,985,596

On 8 April 2024, the Board approved the conversion of Zero-Coupon Convertible Bonds with a value of £5,396,044 into 2,698,022 ordinary shares. This transaction was irrevocably committed prior to the previous year-end and was executed post year-end, resulting in the derecognition of the liability and the issuance of equity. As the conversion only occurred post year-end, a prepaid share reserve of £5,396,044 was recorded in equity at the end of the prior year..

Between 31 March 2024 and 26 June 2024, the Company raised a further £1,327,473 in Convertible Bonds, giving a total of £6,778,000.

On 26 June 2024 Convertible Bonds of £6,778,000, being £5,524,302 as at 31 March 2024 plus £1,253,698 raised between the year end and conversion, were converted into 3,727,900 new ordinary shares, the nominal value of which was £3,727.90.

Two further conversions of Zero-Coupon Convertible Bonds were approved during the year with a value of £1,693,900 into 846,950 ordinary shares.

On 25 November 2024, the Company received £1,980,000 from Technology Credit Fund Inc as proceeds from the 10 per cent loan note, the loan note is repayable in 24 months. Technology Credit Fund Inc is an investment fund of which Angus Murray is a director. Technology Credit Fund Inc holds Ordinary Shares for the benefit of Castlestone Management LLC, an investment adviser wholly owned by Angus Murray. A further £300,000 was advanced on 9 December 2024 to bring the Loan note 2024 10% balance to £2,280,000.

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17. Lease liability

	2025	2024
	£	£
Amounts owed to group undertakings	90,000	-
	<u>90,000</u>	<u>-</u>

Amounts owed to group undertakings relate to an agreement for lease between ETL, as landlord, and the Company, as tenant under which the Company has been granted a 125-year lease of the Tunnels.

The deposits paid by the Company will be applied against these lease arrangements.

18. Trade and other payables

	2025	2024
	£	£
Trade payables	630,429	357,537
Capital creditors	366,848	347,391
Amounts owed to group undertakings	-	311,350
Accruals	478,321	327,762
Other liabilities	-	35,000
Taxation and social security	16,059	16,022
	<u>1,491,657</u>	<u>1,395,062</u>

19. Provisions

	2025	2024
	£	£
Provision for professional fees	-	1,491,000
	<u>-</u>	<u>1,491,000</u>

A provision of £1,491,000 was recognised in the previous year in respect of professional fees payable to Client Services (Global) Ltd. During the year £1,246,833 was paid against the provision. However, during the year it became clear that the remaining balance of £244,167 would be payable after the year end and therefore the remaining balance has been reclassified to accruals.

	£
Balance at 1 April 2024	1,491,000
Professional fees paid	(1,246,833)
Balance after fees paid for the year	244,167
Balance converted to accruals	(244,167)
Balance at 31 March 2025	<u>-</u>

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20. Financial instruments

The contractual maturities for all financial instruments held by the company are shown in the table below. The table shows undiscounted principal and interest cash flows and includes contractual gross cash flows and the net debt reconciliation:

	2025				Total	2024 (restated)			
	Carrying value	Falling due within 1 year	Falling due in more than 1 year but not more than 5 years	Falling due in more than 5 years		Carrying value	Falling due within 1 year	Falling due in more than 1 year but not more than 5 years	Total
	£	£	£	£	£	£	£	£	£
Financial liabilities: current and non-current									
Trade and other payables	1,491,657	1,491,657	-	-	1,491,657	1,395,062	1,395,062	-	1,395,062
Zero-coupon convertible bonds	410,371	-	410,371	-	410,371	1,739,909	-	1,739,909	1,739,909
Convertible bonds	-	-	-	-	-	5,453,437	-	5,453,437	5,453,437
Interest on bonds payments owed to parent company	-	-	-	-	-	70,865	-	70,865	70,865
Interest on amounts owed to parent company	2,721,385	-	-	2,721,385	2,721,385	2,522,582	-	2,522,582	2,522,582
Loan notes 2024 10%	303,432	-	-	303,432	303,432	198,803	-	198,803	198,803
Interest on Loan notes 2024 10%	2,280,000	-	2,280,000	-	2,280,000	-	-	-	-
	73,036	-	73,036	-	73,036	-	-	-	-
Total financial liabilities	7,279,881	1,491,657	2,763,407	3,024,817	7,279,881	11,380,658	1,395,062	9,985,596	11,380,658
Financial assets: current and non-current									
Trade and other receivables	2,400,736	1,098,257	1,302,479	-	2,400,736	2,606,930	1,406,930	1,200,000	2,606,930
Total financial assets	2,400,736	1,098,257	1,302,479	-	2,400,736	2,606,930	1,406,930	1,200,000	2,606,930
Net receivable/(debt)	(4,879,145)	(393,401)	(1,460,928)	(3,024,817)	(4,879,146)	(8,773,728)	11,868	(8,785,596)	(8,773,728)

Financial assets and financial liabilities have been analysed by category below:

Financial assets and liabilities	Carrying value	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Liability at amortised cost	Financial asset at amortised cost	Fair value hierarchy level
Financial assets						
Trade and other receivables	2,400,736	-	-	-	2,400,736	Level 2
Financial liabilities						
Zero-coupon convertible bonds	410,371	-	-	410,371	-	Level 2
Convertible bonds	-	-	-	-	-	Level 2
Amounts owed to parent company	3,024,817	-	-	3,024,817	-	Level 2
Loan notes 2024 10%	2,353,036	-	-	2,353,036	-	Level 2
Trade and other payables	1,491,657	-	-	1,491,657	-	Level 2

Level 2 – Fair value determined by reference to internal model with observable inputs

Risks and financial risk management

In the normal course of business, financial instruments are used for purposes of managing exposure to liquidity and solvency risks. Financial risk management policies are set and managed at group level and apply to all subsidiaries including the Company. The directors, as those charged with governance, are tasked with the management of risks, including financial risks.

The Company is exposed to market, liquidity and credit risks as described below.

Market risk

Market risk is the possibility that changes in market conditions such as foreign exchange rates and interest rates will adversely affect the value of assets, liabilities or expected future cash flows. Interest rates associated with issued bonds are fixed and it is managements approach to raise funding through borrowing facilities with fixed interest rates to avoid exposures associated with variable interest rates.

Liquidity risk

Liquidity risk is the risk that suitable sources of funding for the Company's activities may not be available. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Management monitors the Company's liquidity position on an ongoing basis and is satisfied that sufficient resources are available to meet foreseeable cash requirements. Information about borrowing facilities is presented in Note 16 above.

Credit risk

Given the Company's current stage of development and the fact that it has not yet commenced revenue-generating operations, credit risk is mainly limited to exposures associated with prepaid balances and deposits paid, as well as amounts owed by group companies. Management reasonably expects these amounts to be recoverable or the benefits associated with these balances to flow to the Company.

The Company applies the simplified approach when measuring expected credit losses. The approach uses a lifetime expected loss allowance. The expected loss rates are reviewed annually, or when there is a significant change in external factors potentially impacting credit risk and are updated where management's expectations of credit losses change. No changes have been made to the expected loss rates during the financial year.

Financial assets held as at year-end are as shown below:

<u>As at 31 March 2025</u>	Current	More than 1 year overdue	Total
	£	£	£
Deposits	-	880,000	880,000
Prepayments	54,891	-	54,891
Intercompany receivables	115,679	1,200,000	1,315,679
Other debtors	45,087	-	45,087
Other taxation	105,079	-	105,079
Gross carrying amount	320,736	2,080,000	2,400,736
<u>As at 31 March 2024</u>	Current	More than 1 year overdue	Total
	£	£	£
Deposits	880,000	-	880,000
Prepayments	357,572	-	357,572
Intercompany receivables	1,233,608	-	1,233,608
Other debtors	135,750	-	135,750
Gross carrying amount	2,606,930	-	2,606,930

No expected credit losses have been provided against the financial assets in the current year and prior year .

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Capital risk management

The Company's main objective when managing capital is to protect returns to shareholders by ensuring that it is not over geared and is well poised to commence trade and generate revenue from customers in the foreseeable future. The Company also aims to optimise its capital structure of debt and equity to minimise its cost of capital. Specifically, the Company reviews its levels of borrowing and the repayment dates, setting these out against forecast cash flows and reviewing the level of available funds. The Board considers that these remain a current reflection of the risks and uncertainties facing the business.

21. Deferred taxation

	Total
	£
At 1 April 2024	-
Charge to profit or loss	866,376
At 31 March 2025	866,376

The closing UK deferred tax liability as at 31 March 2025 has been calculated to reflect the tax rate at which the deferred tax liability is expected to become payable.

	Fair value adjustment of property £	Accelerated tax depreciation £	Management expenses £	Tax losses £	Total £
At 1 April 2024	-	-	-	-	-
Recognition of tax losses	-	-	(684,750)	(53,500)	(738,250)
Charge to Income	1,604,626	-	-	-	1,604,626
At 31 March 2025	1,604,626	-	(684,750)	(53,500)	866,376

22. Related party transactions

During the year, the Company entered into a number of transactions with related parties, as set out below.

Related party transactions during the year

Income and expenditure with related parties	2025	2024
	£	£
Other income due from Client Services (Global) Limited	50,000	1,644
Purchases from Client Services (Global) Limited	952,012	1,170,250

Funding and capital transactions	2025	2024
	£	£
Loan to Exchange Tunnels Limited	7,111,900	1,200,000
Purchase of Intellectual Property from Cupcake Partners Limited	-	2,572,082
Zero-Coupon Convertible Bonds Issued to TCF	-	1,500,000
Loan Note from TCF	2,353,036	-
EC1 Property Management Ltd – fellow group subsidiary	-	880,000
Present value of lease liability with Exchange Tunnels Limited	1,302,479	-

These advances formed part of a wider arrangement whereby ETL acquired the tunnel assets from BT for £10.6 million in November 2024 and subsequently leased the tunnels to the Company. As set out in Section 4 below, the loan advances and the lease arrangement have been assessed as linked transactions that were not entered into on an arm's-length basis.

**THE LONDON TUNNELS LTD
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Year-end balances with related parties	2025	2024
	£	£
Amounts due to related parties		
Cupcake Partners Limited – immediate parent company	3,024,817	2,721,385
Client Services (Global) Limited – common directorship	249,513	1,802,350
Amounts owed by related parties		
Exchange Tunnels Limited – fellow group subsidiary	1,315,679	1,233,608
EC1 Property Management Ltd – fellow group subsidiary	880,000	880,000

TCF is an investment fund of which Angus Murray is a director. TCF holds Ordinary Shares for the benefit of Castlestone Management LLC, an investment adviser wholly owned by Angus Murray.

During the year, a further advance of £7,098,700 was made to Exchange Tunnels Limited, a fellow group subsidiary, relating to underground tunnel infrastructure. This increased the year-end amount owed by ETL to £8,311,900 at 31 March 2025. Management concluded that ETL does not have the ability to repay the loan, and that the loan is impaired under IFRS 9 to arrive at the carrying value of £1,315,679.

Non-arm’s-length lease and financing transaction with Exchange Tunnels Limited.

Background

In November 2024, TLT advanced a total of £8.3 million to ETL to fund ETL’s acquisition of the tunnels from BT for £10.6 million. On 31 March 2025, ETL leased the tunnels to the Company for annual rental of £90,000, with lease payments having a present value of approximately £1.3 million at inception.

There was no loan agreement or agreed terms in place at the point funds were advanced. Accordingly, the loan is treated as repayable on demand at 31 March 2025 under IFRS 9. A loan agreement dated 1 September 2025 has been accounted for as a prospective modification only.

Assessment of arm’s-length conditions

Management has concluded that neither the lease nor the loan were at arm’s length, due to:

- the significant difference between the £10.6m acquisition price and £90,000 rent reflecting a PV of only £1.3m;
- ETL’s lack of independent cash flows to service the loan other than the rental stream;
- the absence of contemporaneous commercial loan terms;
- the economic interdependence of the loan and lease, which form part of the same funding and operating arrangement.

Loan impairment

ETL has no income other than rent from the Company and no non-leased assets.

Management concluded that ETL does not have the ability to repay the loan, and that the loan is impaired under IFRS 9.

A loan impairment of £6.9 million has been recognised as an adjustment to the cost of the right-of-use asset and resulting investment property balance, reflecting the substance of the linked loan/lease transaction. Accordingly, no charge has been recognised in the income statement.

Linked-transaction conclusion

Because the loan funded ETL’s acquisition of the tunnels, which were immediately leased back to the Company, the loan and lease were accounted for as a single linked transaction. See note 10.

This resulted in:

- the ROU asset being increased from £1.3m to £8m;
- appropriate disclosure of significant management judgement under IAS 1.

Terms and settlement

All related party balances are unsecured.

With the exception of the loan advance to ETL and the related lease arrangement described above, which were not entered into on arm’s-length terms, all other related party transactions occurred in the ordinary course of business and on commercial terms.

Compensation of key management personnel

The remuneration of key management personnel is as follows:

	2025	2024
	£	£
<i>short-term employee benefits</i>		
Angus Murray	140,000	133,958
Katharine Leo	30,000	19,500
<i>post-employment benefits</i>		
Angus Murray	1,321	1,468
Katharine Leo	-	-

23. Prior period adjustments

1. During the preparation of the audited financial statements for the year ended 31 March 2024, the Company reviewed the accounting treatment of its zero coupon convertible bonds. Initially classified as hybrid financial instruments with components split between liability and equity, further analysis determined that these bonds are more appropriately recognised in its entirety as a debt instrument with an immaterial equity element and classified as financial liabilities. As a result of this updated treatment, other reserves have been reduced by £332,017 and accumulated losses have reduced by £15,910 at 1 April 2023 and a further £105,038 in the six months to 30 September 2023.
2. The Company reviewed the classification of an amount of £1,491,000 that was previously disclosed as a contingent liability which related to services provided by a related party. Upon further evaluation, it was determined that the amount should be recognised as a provision for professional fees in the prior year. This reflects the likelihood, as at the reporting date, of a liability of uncertain timing or amount. This adjustment along with the impact of the classification of the zero coupon convertible bond above, resulted in an increase in the accumulated losses of £1,475,090 at 1 April 2023.
3. In the 6 month period to 30 September 2023, intellectual property, transferred from the parent, was recognized at £12,000,000, when it should have been recognized at the fair value of the consideration payable by the Company, which was only £2,519,348. A capital contribution amounting to £7,000,000 and a long-term related party loan of £5,000,000 were recognized. As the loan was an interest free term loan it should have been discounted for the effect of time value of money and accounted for at amortised cost of £2,519,348. In line with the requirements of IAS 38, Intangible Assets, the cost of the intangible asset acquired is the cash paid or the fair value of the consideration and accordingly, the capital contribution of £7,000,000, and the discounted effect of the loan, should not have been recognised in the cost of the intangible asset capitalised during the year. As a result of this, a prior period adjustment was recognized to reduce the intangible asset by £9,480,652, eliminate the impact of the capital contribution recognized resulting in a reduction in equity reserve of £7,000,000, and reduce the related party loan by £2,480,652. Additional finance costs of £55,231 were incurred in the six month period of which £53,732 has now been capitalized resulting in a net increase in the loss for the period ended 30 September 2023 of £1,499.

In addition to the above prior year adjustments which were reflected in preparing the March 2024 year end financial statements, an additional prior year adjustment has been identified as follows:

4. In the prior year ending 31 March 2024, the Company had recognised a prepaid share reserve of £5,396,044 in equity to reflect the unconditional commitment to convert Zero-Coupon Convertible Bonds into equity at 31 March 2024. Prior to the conversion, the Company agreed with the bondholders to settle the liability at the full redemption amount as against the carrying amount, which resulted in an excess early settlement charge incurred by the Company of £843,291. This charge was not recognised in the year ended 31 March 2024. Accordingly, an adjustment has been made to increase the interest expense and the corresponding zero coupon convertible bond liability by £843,291. This has resulted in an increase in the loss for the second half of the comparative year amounting to £843,291 as recognised in the statement of changes in equity.

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The table below summarises the effect of the prior period adjustments on the financial statements as at March 2024

	As previously reported £	Adjustment £	Restated balance £
Non -current liabilities			
Borrowing and other debts	9,142,305	843,291	9,985,596
Capital and reserves			
Accumulated losses	(6,057,095)	(843,291)	(6,900,386)

Impact on Statement of Profit or Loss and Other Comprehensive Income for the six month period ended 30 September 2023

	As previously reported £	Adjustment £	Restated balance £
Finance Costs	(753,772)	(1,499)	(755,271)
Loss before taxation	(1,363,387)	(1,499)	(1,364,886)
Loss for the financial period	(1,363,387)	(1,499)	(1,364,886)

Impact on Statement of cash flows as at 30 September 2023

	As previously reported £	Adjustment £	Restated balance £
Loss for the financial period	(1,363,387)	(1,499)	(1,364,886)
Finance costs	753,772	1,499	755,271
Cash from operations	553,956	-	553,956

Impact on Statement of changes in equity for the 6 month period ended 30 September 2023

	As previously reported £	Adjustment £	Restated balance £
Equity reserve at 1 April 2023	332,017	(332,017)	-
Accumulated losses at 1 April 2023	(491,956)	(1,475,090)	(1,967,046)
Equity reserve during the 6 month period to 30 September 2023	7,105,038	(7,105,038)	-

24. Events after the reporting date

After the year end, up until the date of delisting, the Company issued a further 744,065 of shares at £2 per share amounting to £1,488,130.

On 14 May 2025 £75,000 of the £244,166.67 liability that existed as at year-end owed to Client Services (Global) Ltd was paid leaving a balance of £169,166.67.

On 13 June 2025 a further £121,000 of the £244,166.67 liability that existed as at year-end owed to Client Services (Global) Ltd was paid leaving a balance of £48,166.67.

On 9 July 2025 the board of directors of the Company announced that it has carried out a strategic review of the Company's listing on Euronext Amsterdam and announced that it intends to carry out a corporate reorganisation pursuant to which a new private Cayman Islands company, The London Tunnels Incorporated, will become the Company's holding company by means of a scheme of arrangement under Part 26 of the Companies Act.

When the Scheme was approved and became effective, each shareholder of the Company was entitled to receive one share in the capital of TLT Holdings for each Company share held, and the Company's admission to listing and trading on

Euronext Amsterdam was cancelled. Please refer to the Chairman's statement at the beginning of the Annual Report for a full explanation of the Reorganisation.

On 7 August 2025 a final amount of £48,166.67 of the £244,166.67 liability that existed at the year-end owed to Client Services (Global) Ltd was paid.

On 8 August 2025 the board of the directors of the company announced the publication of the scheme circular in relation to the Scheme (the "Scheme Circular") which, together with the associated Forms of Proxy, were posted (or made available online to) its Shareholders. The Scheme Circular contained, amongst other things, a letter from the Chair of the Company, the full terms and conditions of the Scheme, an explanatory statement, an expected timetable of principal events, notices of the Court Meeting and the General Meeting and details of the actions to be taken by Scheme Shareholders entitled to vote at the Court Meeting and Shareholders entitled to vote at the General Meeting in relation to the Proposals.

On 3 September 2025, the board of directors announced that on 1 September 2025 the Shareholders approved (i) the establishment of a new private Cayman Islands company, The London Tunnels Incorporated ("TLT Holdings"), as the Company's holding company by means of a scheme of arrangement under Part 26 of the Companies Act (the "Scheme") at the Court Meeting and (ii) the Resolutions to give effect to and implement the Scheme, including, among other things, the cancellation of the Existing London Tunnels Shares, the Capital Reduction and the amendment of the Company Articles of Association, at the General Meeting.

On 25 September 2025, the board of directors announced that the High Court of Justice in England and Wales sanctioned the scheme of arrangement under Part 26 of the Companies Act to implement the reduction of capital and establishment of a new private Cayman Islands company, The London Tunnels Incorporated, as the Company's holding company, and has confirmed the Company Reduction of Capital. The Scheme remained conditional on, and will become effective upon, the delivery of a copy of the Court Order to the Registrar of Companies, which is expected to take place on 29 September 2025.

On 25 September 2025, the board of directors also announced the suspension of trading in existing London Tunnels shares on Euronext Amsterdam, which took effect from 7.30 a.m. on 29 September 2025 and 26 September 2025 was the last day for dealings in existing London Tunnels shares.

On 29 September 2025, the board of directors announced that, following delivery of a copy of the Court Order to the Registrar of Companies, the scheme of arrangement under Part 26 of the Companies Act (the "Scheme") to implement the reduction of capital and establishment of a new private Cayman Islands company, The London Tunnels Incorporated ("TLT Holdings"), as the Company's holding company became Effective and, pursuant to the Scheme, the share certificates in respect of the existing London Tunnels shares cease to be valid and entitlements to the existing London Tunnels shares held through Euroclear Nederland via banks and brokers were cancelled.

On 30 September 2025, Euronext Amsterdam N.V. approved the delisting of the Existing London Tunnels Shares and cancelled the listing of existing London Tunnels Shares. This followed the sanctioning of the scheme of arrangement by the High Court and the establishment of a new holding company, The London Tunnels Incorporated. As a result, the Company's shares are no longer traded on any regulated market. This event does not adjust the amounts recognised in these financial statements but is disclosed as a material non-adjusting event in accordance with IAS 10.

On 30 September 2025, the Company received £200,000 from Technology Credit Fund Inc as proceeds from the 10 per cent loan note. Technology Credit Fund Inc holds Ordinary Shares for the benefit of Castlestone Management LLC, an investment adviser wholly owned by Angus Murray.

25. Commitments, guarantees and contingent liabilities

During the year, the Company was successful in obtaining planning permission for a venue from which to establish and operate the Tunnels business in future.

The Company entered into a Right of Use asset agreement to lease the tunnels on 31 March 2025 from Exchange Tunnels Limited, a wholly owned subsidiary of Cupcake Partners Limited. The terms of the agreement commits the Company to lease the tunnels for a period of 125 years at an annual rental of £90,000. Exchange Tunnels Limited will retain legal title to the property, having completed the freehold purchase of the tunnels from British Telecommunications plc on 31 December 2024.

The lease commitments to that agreement over the lease period are shown in the table below:

	Within 1 year	2 5 years	Over 5 years	Total
	£	£	£	£
Principal	90,000	360,000	10,800,000	11,250,000

26. Non-cash investing and financing activities

On 26 June 2024 Convertible Bonds of £6,778,000, being £5,524,302 as at 31 March 2024 plus £1,253,698 raised between the 31 March 2024 year end and conversion, were converted into 3,727,900 new ordinary shares, the nominal value of which was £3,727.90.

On 19 July 2024, the Company received an application from ILCF to exchange ZCCB debt of £1,322,950 into new ordinary shares at £2 per share.

On 9 August 2024, the Company received an application from ILCF to exchange ZCCB debt of £370,950 into new ordinary shares at £2 per share

27. Ultimate controlling party

The immediate and ultimate parent company of the Company is Cupcake Partners Limited and its registered office and audited financial statements are available at 20th Floor, 283 Lockhart Road, Wah Hing Commercial Building, Wanchai, Hong Kong. The ultimate beneficial owner of Cupcake Partners Limited is Mr. Angus Murray, who is considered the ultimate controlling party of the Company.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE LONDON TUNNELS LTD

Opinion

We have audited the financial statements of The London Tunnels Ltd (formerly The London Tunnels Plc) ("the Company") for the year ended 31 March 2025 which comprise the statement of comprehensive income, statement of financial position, cashflow statement, statement of changes in equity, 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 March 2025 and of its profit for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; 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.

Emphasis of matter – Going Concern

We draw attention to note 2 to the financial statements which indicates that there is uncertainty over future funding which is required for the Company to sustain its operations and finance the proposed development of the tunnels. These events and conditions, along with the other matters explained in note 2, constitute a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Going concern basis of preparation

The directors have prepared the financial statements on the going concern basis. As stated above, they have concluded that a material uncertainty related to going concern exists.

Our conclusion based on our financial statements audit work: we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors and inspection of policy documentation as to the Company's high-level policies and procedures to prevent and detect fraud as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Considering remuneration incentive schemes and performance targets for directors; and
- Using analytical procedures to identify any unusual or unexpected relationships

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible pressures to meet targets, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates and judgements such as the classification of the right of use asset as investment property, and the associated valuation. We identified a fraud risk in relation to the valuation of investment property, in response to possible pressures to overstate the value of the property. On this audit we do not believe there is a fraud risk related to revenue recognition because there is no revenue recognised in the period.

We performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual accounts; and
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

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INDEPENDENT AUDITOR'S REPORT
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- In response to the risk of fraud over investment property, benchmarking key assumptions to external data points and involving real estate valuation specialists to assess certain assumptions made by management and their expert in making their estimate of the fair value of the property.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience through discussion with the directors and other management (as required by auditing standards), and from inspection of the Company's regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

As the Company is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies' legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, data protection laws, anti-bribery and corruption recognising the financial and regulated nature of the Company's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

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.

**THE LONDON TUNNELS LTD
INDEPENDENT AUDITOR'S REPORT
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We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 25, 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.



**Jeremy Williams (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor**

Chartered Accountants

15 Canada Square

London

E14 5GL

23 December 2025