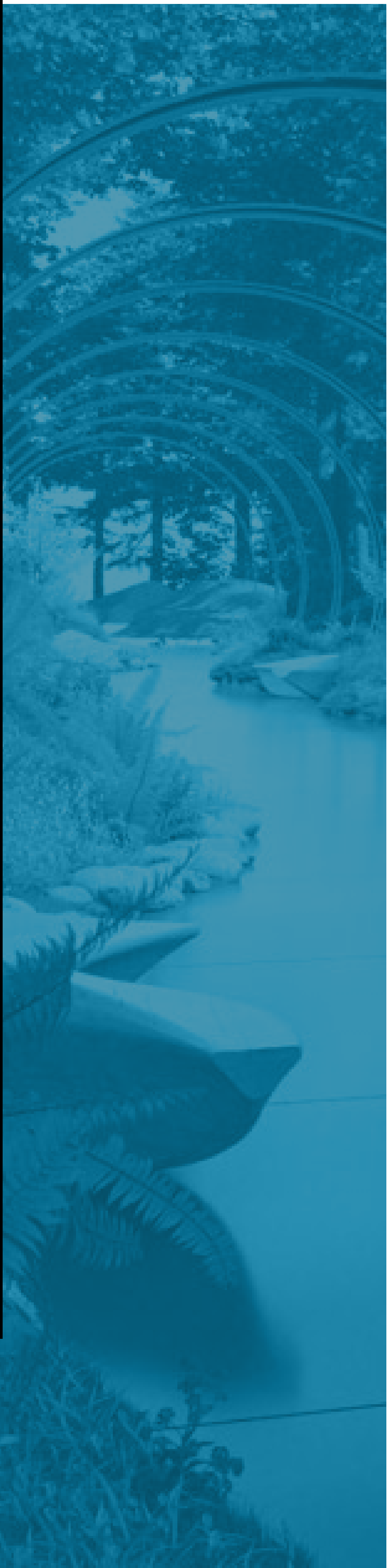
ANNUAL REPORT AND FINANCIAL STATEMENTS **2026**

FOR THE YEAR ENDED 31 MARCH 2026

THE LONDON TUNNELS LTD

(formerly The London Tunnels Plc)

Registered No. 13160590



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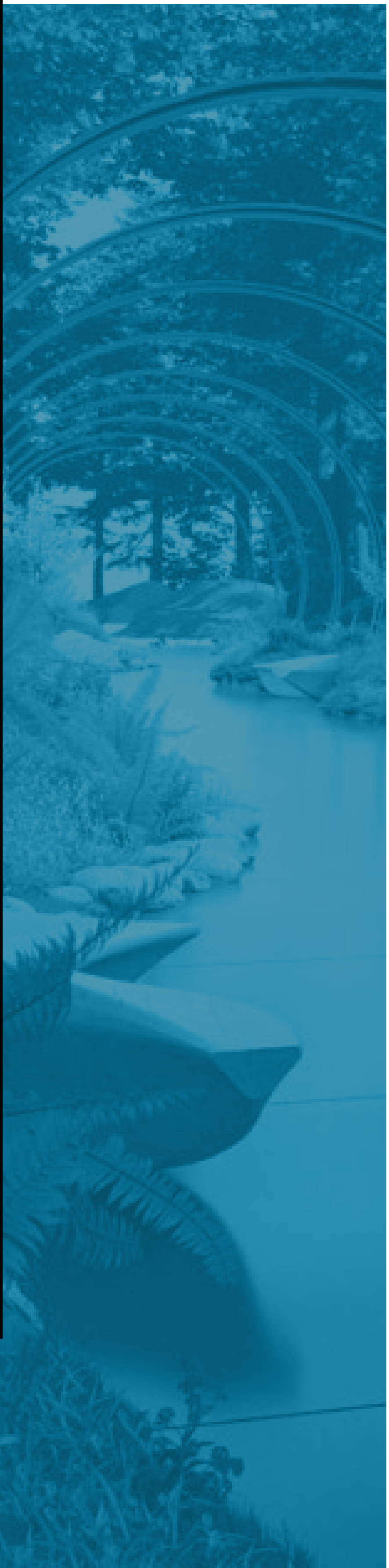
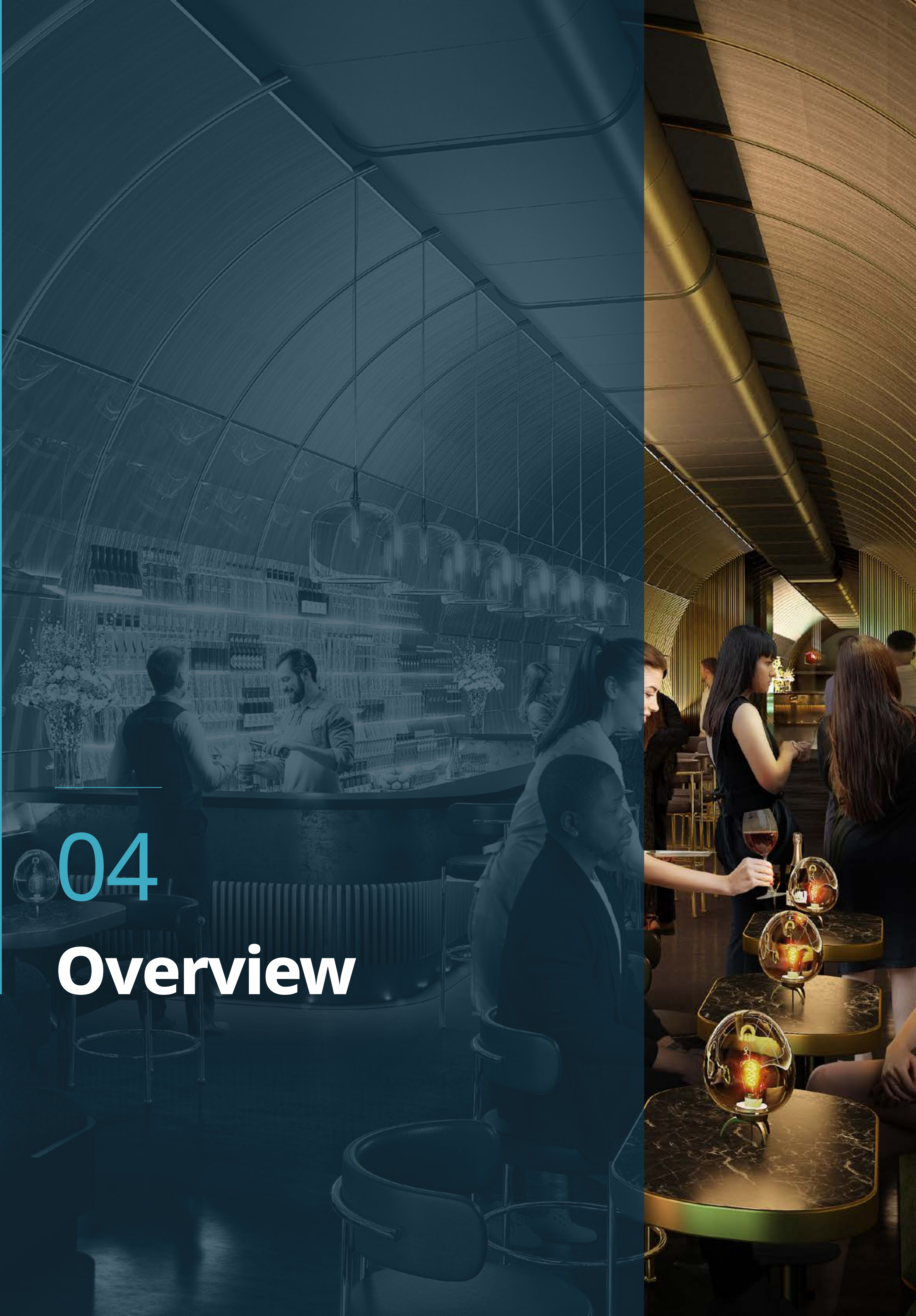


Company information

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	**2nd Floor** **Nicola Jane House** **Southern Gate** **Terminus Road** **Chichester** **West Sussex PO19 8SE** **United Kingdom**
Auditor	**Edwards Veeder (UK) Limited** **Ground Floor, 4 Broadgate,** **Broadway Business Park, 9 Broadgate,** **Chadderton, Oldham OL9 9XA** **United Kingdom**



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Overview

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. The Company was re-registered as a public company on 2 November 2023 and subsequently re-registered as a private company on 30 September 2025, at which point it adopted its current name The London Tunnels Ltd.

During the year, a Scheme of Arrangement became effective under which The London Tunnels Incorporated, a company incorporated in the Cayman Islands, became the ultimate holding company of the Group. As a result, The London Tunnels Ltd became a wholly owned subsidiary of The London Tunnels Incorporated.

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

The principal activity of the Company is the development of the Kingsway Exchange Tunnels in Central London into a venue for a world-class visitor attraction.

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. The development is designed to combine the site's 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 targeting up to 3 million visitors annually, within a design capacity of approximately 4.2 million, 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.

Following the acquisition of the leasehold interest in the Kingsway Exchange Tunnels and the associated surface-level entrance buildings from British Telecommunications plc on 31 March 2025, the Company has continued to advance the project through detailed design development, stakeholder engagement, procurement planning and commercial partnership discussions.

During the year ended 31 March 2026, the Company continued to advance the development programme in accordance with its strategic objectives. Activities focused on advancing the design and delivery programme, developing visitor experience concepts, engaging with potential commercial and content partners and progressing fundraising initiatives to support the next phase of development.

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.

The Directors believe that the continued progress of the project, together with growing interest from potential partners and stakeholders, demonstrates the significant commercial and cultural potential of the development. The Company remains focused on advancing the project towards construction and eventual opening and will continue to keep its shareholder and other key stakeholders informed of material developments.

06 Chairman’s statement

Chairman's statement

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the Annual Report of The London Tunnels Ltd for the year ended 31 March 2026.

Progress in the financial year

Listing: During the year the Company made important progress, marked by noteworthy advancements. A major focus during the previous financial year was our listing on Euronext Amsterdam, facilitated by ABN AMRO BANK NV. This strategic move intended for the Company to leverage the expansive European equity and debt capital markets and to benefit from the favourable business environment in the Netherlands. The settlement restrictions faced by the Company ultimately meant that Shareholders voted to delist the company.

Planning and development

During the year ended 31 March 2026, the Company continued to advance the Kingsway Exchange Tunnels project following the receipt of planning approvals from the City of London Corporation and the London Borough of Camden in 2024.

The Company remained actively engaged with both planning authorities and other key stakeholders in progressing the implementation of the planning consents and satisfying associated planning obligations. The Directors continued to work collaboratively with the relevant authorities to advance the project in accordance with the approved development framework.

Alongside planning activities, the Company progressed design development, technical assessments, procurement planning and operational modelling for the proposed visitor attraction. During the year, the Company also undertook a comprehensive project rescoping exercise to refine and optimize operational efficiency, align delivery priorities with evolving market opportunities and ensure the project remains positioned to maximize long-term value creation and maintain cost efficiency. The outcomes of this exercise have informed us of the next phase of design development and delivery planning. These activities are intended to support the transition from planning and development into the construction and delivery phases of the project.

The Directors believe that the progress achieved during the year represents a significant step forward in the delivery of a landmark heritage-led regeneration and cultural development project in London.

Property and asset development

Following the acquisition of the leasehold interest in the Kingsway Exchange Tunnels and associated surface-level entrance buildings on 31 March 2025, the Company focused on advancing the development potential of the asset and enhancing its long-term value.

During the year, the Company continued to invest in design, engineering, heritage, visitor experience and operational planning activities to support the future redevelopment of the tunnels into a major cultural and tourism destination.

The Company continued to recognise the Kingsway Exchange Tunnels as an investment property and undertook periodic assessments of its carrying value in accordance with UK-adopted international accounting standards IFRS requirements. The Directors remain confident that the unique nature of the asset, combined with the planning permissions obtained and continued progress towards redevelopment, provides a strong foundation for long-term value creation.

Strategic partnerships and commercial development

During the year, the Company further developed its strategic partnership with the Museum of Military Intelligence and continued discussions with a number of internationally recognised brands, cultural institutions and content partners regarding future participation in the visitor experience.

The Directors believe these relationships will play an important role in enhancing the authenticity, quality and commercial appeal of the proposed attraction. While discussions remain ongoing and no material additional binding agreements had been entered into at the date of approval of these financial statements, the level of engagement received continues to demonstrate significant market interest in the project.

Financing and corporate activity

The Company continued to pursue funding opportunities to support the next stages of development and maintained a disciplined approach to capital management throughout the year.

The Directors remain focused on securing the resources required to advance the project while preserving flexibility and maximising long-term shareholder value. The Board continues to evaluate a range of financing alternatives and strategic opportunities to support the successful delivery of the project.

Chairman's statement continued

Corporate reorganisation and delisting

During the year ended 31 March 2026, the Company successfully completed a corporate reorganisation that resulted in The London Tunnels Incorporated ("TLT Holdings"), a private company incorporated in the Cayman Islands, becoming the holding company of the Group. The reorganisation was implemented by way of a scheme of arrangement under Part 26 of the Companies Act 2006 and was accompanied by the cancellation of the Company's listing on Euronext Amsterdam.

The Board initiated a strategic review of the Company's listing arrangements and concluded that the existing structure was no longer the most appropriate platform to support the Company's future development and financing requirements. While the Euronext Amsterdam listing had provided access to international capital markets, the Board considered that the associated costs, administrative burden and operational constraints outweighed the benefits available to the Company at its current stage of development.

In reaching its decision, the Board considered a number of factors, including:

- the Company's anticipated future funding requirements and the availability of alternative sources of capital outside the public markets;
- the costs and management time associated with maintaining a public listing;
- the opportunity to focus resources on advancing the development of the Kingsway Exchange Tunnels project;
- feedback received from shareholders regarding the proposed reorganisation; and
- the fact that the reorganisation would not affect the Company's underlying assets, operations, management team or strategic objectives.

On 9 July 2025, the Board announced its intention to implement the reorganisation through a scheme of arrangement, pursuant to which TLT Holdings would become the new holding company of the Group.

Following the publication of a shareholder circular and the convening of the requisite Court Meeting and General Meeting, shareholders approved the Scheme and associated resolutions on 1 September 2025. The resolutions included the cancellation of the existing shares in the Company, the associated capital reduction and amendments required to implement the reorganisation.

On 25 September 2025, the High Court of Justice of England and Wales sanctioned the Scheme and confirmed the associated capital reduction. The Scheme became effective on 29 September 2025 following delivery of the Court Order to the Registrar of Companies.

As a result of the Scheme becoming effective, TLT Holdings became the new holding company of the Group and existing shareholders received equivalent interests in TLT Holdings in exchange for their holdings in the Company. Existing share certificates ceased to be valid, and shareholdings held through Euroclear Nederland and other intermediaries were cancelled and replaced in accordance with the terms of the Scheme.

Trading in the Company's shares on Euronext Amsterdam was suspended with effect from 29 September 2025, and on 30 September 2025 Euronext Amsterdam N.V. approved the cancellation of the listing and the formal delisting of the Company's shares.

The Board believes that the reorganisation provides a more appropriate corporate and capital structure for the Company's next phase of development and will allow management to focus its efforts on advancing the Kingsway Exchange Tunnels project while pursuing a broader range of strategic and financing opportunities.

Strategic outlook for the coming year

The year ahead will be an important period for the Company as we advance the Kingsway Exchange Tunnels project towards its next stage of development. Following the successful corporate reorganisation and continued progress across planning, design and commercial activities, our focus is on progressing development works, advancing technical planning and securing the funding required to support delivery of the project.

Alongside project development, the Company is actively pursuing a range of financing opportunities and strategic investment partnerships, while continuing to build relationships with leading cultural institutions, brands and content partners. These initiatives are intended to strengthen the visitor proposition, enhance the long-term value of the asset and support future capital raising activities.

The Directors remain confident in the long-term prospects of the Kingsway Exchange Tunnels project. With a unique historic asset, planning approvals, strong

Chairman's statement continued

stakeholder engagement and increasing commercial interest, we believe the Company is well positioned to secure the funding and partnerships necessary to deliver a world-class heritage and cultural destination in the heart of London.

On behalf of the Board, I thank our shareholders, employees, advisers and partners for their continued support, and we look forward to updating stakeholders as the project continues to progress.

Acknowledgment of directors and their contributions

I would like to thank our directors and committee members for their dedication, expertise and commitment throughout the year. Their guidance and support have been instrumental in the Company's continued progress.

I am pleased to confirm that all Directors will stand for reappointment, ensuring continuity of leadership as we continue to execute our long-term strategy and advance the Company's objectives.

Yours sincerely,

Peter Curtin
Chairman of the Board
The London Tunnels Ltd

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Strategic report

Strategic report

The purpose of the strategic report is to provide the Company's shareholder with an overview of the business, strategy, performance and development during the year, together with the principal factors likely to affect its future prospects.

In carrying out their responsibilities, the Directors seek to promote the long-term success of the Company while taking into account the interests of key stakeholders, including employees, business partners, suppliers, local communities and other parties who contribute to the achievement of the Company's strategic objectives.

In doing so, the Directors have regard to:

- the long-term consequences of decisions and actions taken by the Company
- the interest and wellbeing of the Company's employees
- the importance of maintaining strong relationships with customers, suppliers, partners and other stakeholders;
- the impact of the Company's activities on the community and the environment
- the need to maintain the highest standards of integrity, governance and business conduct; and
- the importance of acting fairly and equitably between shareholders.

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 of 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 funding 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 a location 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 Tunnels' 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 2026, the Company was well placed to execute its plans as detailed within this annual report.

Subject to the successful completion of the Company's funding activities, Phase 2 is expected to commence once the necessary capital has been secured. While this will result in the completion of Phase 2 moving into 2027, the project remains broadly aligned with its overall development strategy. Although the timing of Phase 3 will subsequently be affected, the Company expects that streamlined delivery processes and operational efficiencies will help mitigate any impact on the overall project programme and the planned opening of the attraction.

Fund raising through share issues

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

As noted in the previous Annual Report, the Company received loan note funding totaling £2,280,000 from Technology Credit Fund Inc. ("TCF"), comprising advances of £1,980,000 and £300,000 in November and December 2024 respectively under a 10% loan note. During the current financial year, the Company received a further £200,000 from TCF on 30 September 2025, increasing the total funding provided under this facility to £2,480,000. TCF is an investment fund of which Angus Murray is a director.

The Company continues to focus 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
In the previous financial year, the Company's principal asset, its long-term leasehold interest in the Kingsway Exchange Tunnels beneath Central London, was measured at fair value under IFRS. At 31 March 2025, the tunnels were valued at £21.5 million using the income approach in accordance with IFRS 13, with the valuation reflecting expected operational turnover and market rents, appropriate yields, developers' profit and forecast development costs.

During the current financial year, the Company has adopted the applicable UK accounting standards. The Company obtained an independent external valuation of the property, which indicated a value of £51.35 million at 31 March 2026. Having considered the independent valuation, together with the valuation methodology and underlying assumptions, the Directors concluded that a carrying value of £33.7 million is appropriate for inclusion in the financial statements. The carrying value reflects the Directors' assessment of the uncertainties associated with a specialist development asset and the continued progress made in advancing the project.

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)
The valuation of the Group's tunnel network requires the use of significant judgement and estimates, reflecting the specialised nature of the asset and the limited availability of directly comparable market transactions. The carrying value is supported by assumptions relating to future commercial performance, market rents, yields and forecast development costs, and is therefore sensitive to changes in market conditions and project expectations. Management regularly reviews these assumptions and the underlying valuation methodology to ensure they remain appropriate, taking into account project progress, commercial developments and external market factors. Further information, including the key assumptions underpinning the valuation, is 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.

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.

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Corporate governance framework

Corporate governance

Corporate Governance Framework

The Company previously adopted the Quoted Companies Alliance Corporate Governance Code while its shares were publicly traded. Following its re-registration as a private company, the Board continues to apply the principles of good governance embodied in the Code where appropriate, whilst tailoring its governance framework to reflect the Company's ownership structure, scale and stage of development.

The Company is committed to maintaining an effective governance framework that supports the successful delivery of its strategic objectives and promotes the long-term success of the business.

As a private company, the Board recognises the importance of high standards of governance, accountability and transparency. The governance arrangements adopted by the Company are designed to ensure appropriate oversight of strategy, risk management, financial controls and stakeholder engagement as the business continues to develop.

The Board is responsible for the overall leadership and direction of the Company and meets regularly to review strategic, operational and financial matters. The Directors collectively bring a broad range of experience across investment, real estate, heritage, infrastructure, finance and business management, providing the skills and expertise required to oversee the development of the Kingsway Exchange Tunnels project.

The Board seeks to promote a culture of integrity, ethical conduct and responsible decision-making throughout the organisation. In making decisions, the Directors consider the long-term interests of the Company and its stakeholders, including employees, suppliers, business partners, local communities and the Company's shareholder.

The Board has established appropriate procedures for identifying, assessing and managing risk and regularly reviews the principal risks facing the business and the effectiveness of the Company's internal controls. External professional advisers are engaged where specialist expertise is required to support decision-making and ensure compliance with applicable legal and regulatory obligations.

The Company maintains regular dialogue with its shareholder and other key stakeholders and seeks to ensure that their views are appropriately considered in the development and execution of the Company's strategy.

The Board reviews the Company's governance arrangements periodically to ensure they remain appropriate for the size, complexity and stage of development of the business.

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

Peter Curtin
Chairman
Date: 30 June 2026

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 Operations 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. Directors are appointed in accordance with the Company's Articles of Association and are subject to reappointment and removal in accordance with applicable law and the Articles.

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 its corporate governance and regulatory 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; and
- Sustainability and ESG Committee.

For further details, please see overleaf.

Board of Directors

The London Tunnels Ltd
(COMPANY NO. 13160590)

Board

Peter Curtin (Non-Executive Chairman)

Angus Murray
Chief Executive Officer

Katharine Leo
Chief Operations Officer

Charles Nelson
Independent Non-Executive Director

Andrew Jones
Independent Non-Executive Director

Audit and Risk Committee
- **Charles Nelson (chair)**
- **Peter Curtin**
- **Andrew Jones**

Nomination and Remuneration Committee
- **Andrew Jones (chair)**
- **Peter Curtin**
- **Charles Nelson**

Sustainability and ESG Committee
- **Charles Nelson (chair)**
- **Andrew Jones**
- **Katharine Leo**

Angus Stewart Douglas Murray (CEO, aged 56)

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 three Private Funds 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.

Board of Directors continued

Katharine Jane Leo (COO, aged 62)
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 77)
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 64)
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 63)
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 meets at least twice a year at appropriate intervals within the financial reporting cycle and otherwise as required.

The Audit and Risk Committee assist the Board in discharging its responsibilities in relation to financial reporting, risk management, internal controls and the external audit process. Its responsibilities include reviewing and monitoring the integrity of the Company's annual financial statements, overseeing the effectiveness of the Company's internal control environment, reviewing the scope and results of the external audit and monitoring the extent of any non-audit services provided by the external auditor.

The Audit and Risk Committee advises the Board on the appointment, reappointment and remuneration of the external auditor and assesses the auditor's independence and objectivity. The Committee maintains regular dialogue with the auditor regarding the nature, scope and findings of the audit and seeks confirmation that appropriate professional standards and independence requirements are maintained.

The Audit and Risk Committee also supports the Board in overseeing the Company's risk management framework. Its responsibilities include advising the Board on risk strategy, risk appetite and risk management policies, reviewing principal and emerging risks, monitoring the effectiveness of risk management systems and internal controls, and assessing the Company's processes for identifying, evaluating and managing risk.

The Committee keeps under review the need for an internal audit function, taking into account the size, complexity and stage of development of the business.

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.

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.

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 take 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 2026. Comparative figures relate to the year ending 31 March 2025.

Details of significant events since the balance sheet date are contained in note 20 to the financial statements.

Information about the use of financial instruments by the Company is given in note 17 to the financial statements.

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

Capital structure
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 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 the 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% women, 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.

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

Following the Company's re-registration as a private company and its delisting from Euronext Amsterdam during the year, the Board undertook a review of the Company's audit requirements. As a result of that review, Edwards Veeder (UK) Limited was appointed as the Company's independent external auditor. Following the appointment of Edwards Veeder (UK) Limited, KPMG LLP resigned as auditor of the Company.

The Board considers Edwards Veeder (UK) Limited to have the appropriate expertise, experience and resources to undertake the audit of the Company's financial statements and to meet the Company's reporting requirements as a private company.

Audit Committee

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.

The Audit Committee met four times during the year and reviewed the annual financial statements, going concern assessment, valuation of the right-of-use asset, internal control procedures and the effectiveness of the external audit process.

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 is satisfied that the valuation process is rigorous, independent and aligned with best practice under Corporate Governance.

Angus Murray
Director
Date: 30 June 2026

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Financial statements

Statement of comprehensive income for the year ended 31 March 2026

	Notes	Year ended 31 March 2026 £	Year ended 31 March 2025 £
Other income	3	147,555	51,000
Administrative costs		(2,967,319)	(3,734,139)
Investment property revaluation	9	12,229,796	6,418,504
Operating profit	4	**9,410,032**	**2,735,365**
Interest receivable		29,580	91,655
Finance costs	6	(664,919)	(659,882)
Profit before tax		**8,774,693**	**2,167,138**
Income tax expense	7	(2,557,702)	(866,376)
Profit and total comprehensive income for the year after tax		**6,216,991**	**1,300,762**

The results above have been derived from continuing operations.

The notes on pages 26 to 45 are an integral part of these financial statements.

Statement of financial position as at 31 March 2026

	Notes	31 March 2026 £	31 March 2025 £
Non-current assets			
Tangible assets	8	–	51,939
Investment property	9	33,729,796	21,500,000
Intangible assets	11	–	–
Trade and other receivables	12	1,189,979	1,302,479
Total non-current assets		**34,919,775**	**22,854,418**
Current assets			
Trade and other receivables	13	287,439	1,098,257
Cash and cash equivalents		243,310	1,034,559
Total current assets		**530,749**	**2,132,816**
Total assets		**35,450,524**	**24,987,234**
Capital and reserves			
Share capital	14	1	69,970
Share premium	14	–	21,102,110
Accumulated profits/(losses)		23,277,588	(5,599,623)
Total equity		**23,277,589**	**15,572,456**
Non-current liabilities			
Borrowings and other debts	15	6,563,155	5,788,224
Lease liability	10	1,156,008	1,178,520
Deferred taxation	18	3,424,078	866,376
Total non-current liabilities		**11,143,241**	**7,833,120**
Current liabilities			
Lease liability	10	90,000	90,000
Trade and other payables	16	939,694	1,491,658
Provisions		–	–
Total current liabilities		**1,029,694**	**1,581,658**
Total liabilities		**12,172,935**	**9,414,778**
Total equity and liabilities		**35,450,524**	**24,987,234**

The notes on pages 26 to 45 are an integral part of these financial statements.

These financial statements were approved by the Board of Directors and authorised for issue on 30 June 2026. They were signed on its behalf by:

A S D Murray
Director

Company Registration No. 13160590

Cash flow statement
for the year ended 31 March 2026

	Notes	Year ended 31 March 2026 £	Year ended 31 March 2025 £
Profit/(loss) for the year before tax		**8,774,693**	**2,167,138**
Adjustments for:			
Finance income		(29,580)	(91,655)
Finance costs	6	664,919	659,882
Bad debt		880,000	–
Investment property revaluation	9	(12,229,796)	(6,418,504)
Operating cash flows before movements in working capital		**(1,939,764)**	**(3,683,139)**
Movement in trade and other payables		(69,180)	77,138
Movement in trade and other receivables		(500,025)	308,674
Provision settled		–	(1,491,000)
Cash used in operations before interest and tax paid		**(2,508,969)**	**(4,788,327)**
Finance income		29,580	91,655
Net cash used in operating activities		**(2,479,389)**	**(4,696,672)**
Investing activities			
Tangible assets purchases		–	(51,939)
Leasehold purchase transactions costs		–	(33,959)
Amount advanced to Group company		–	(7,098,700)
Intangible asset additions		–	(564,666)
Net cash used in investing activities		**-**	**(7,749,264)**
Financing activities			
Proceeds from issue of shares	14	1,488,140	7,245,061
Proceeds from issue of convertible bonds		–	1,327,473
Proceeds from loan notes	15	200,000	2,280,000
Net cash from financing activities		**1,688,140**	**10,852,534**
Net (decrease) in cash and cash equivalents		(791,249)	(1,593,402)
Cash and cash equivalents at the beginning of year		1,034,559	2,627,961
Cash and cash equivalents at the end of the year		243,310	1,034,559

The notes on pages 26 to 45 are an integral part of these financial statements.

Statement of changes in equity for the year ended 31 March 2026

	Notes	Share capital	Share premium	Prepaid share reserve	Accumulated losses	Total
		£	£	£	£	£
At 31 March 2024		**59,075**	**-**	**5,396,044**	**(6,900,386)**	**(1,445,267)**
Shares issued in the year	14	3,623	7,241,438	–	–	7,245,061
Conversion of Zero-Coupon Convertible Bonds April 2024	14	2,698	5,393,346	5,396,044	–	–
Conversion of Zero-Coupon Convertible Bonds July 2024		661	1,322,289	–	–	1,322,950
Conversion of Zero-Coupon Convertible Bonds August 2024		185	370,765	–	–	370,950
Conversion of Convertible Bonds		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
At 1 April 2025		**69,970**	**21,102,110**	**-**	**(5,599,624)**	**15,572,456**
Shares issued in the year	14	744	1,487,397	–	–	1,488,141
Share reduction	14	(70,714)	(22,589,507)	–	22,660,221	–
Shares issued to new parent company	14	1	–	–	–	1
Profit for the year		–	–	–	6,216,991	6,216,991
At 31 March 2026		**1**	**-**	**-**	**23,277,588**	**23,277,589**

The notes on pages 26 to 45 are an integral part of these financial statements.

Notes to the financial statements for the year ended 31 March 2026

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's financial statements have been prepared in accordance with UK-adopted international accounting standards (the "IFRS")

The Company's financial statements are prepared in Sterling (£), which is the functional currency of the Company. Monetary amounts in the Company's financial statements are rounded to the nearest £.

The Company's 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 Company incurred operating cashout flow of £2,479,389 for the year ended 31 March 2026. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern. Therefore, the Company may be unable to realise its assets and discharge its liabilities in the normal course of business.

These financial statements have been prepared on a going concern basis, the validity of which depends upon the financial support of the parent company, at a level sufficient to finance the working capital requirements of the Company. The parent company has agreed to provide adequate funds for the Company to meet its liabilities as they fall due. The directors are therefore of the opinion that it is appropriate to prepare the financial statements on a going concern basis. Should the Company be unable to continue as a going concern, adjustments would have to be made to the financial statements to adjust the value of the Company's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively.

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. Other income arises solely in the United Kingdom.

2.3 Leases
The Company assesses 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 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 (including 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 recognised 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's financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to 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 recognised 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 recognised 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 derecognised 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 recognised 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 recognised 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 recognised 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 recognised 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 lifeof 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 recognised in the income statement.

2.10 Intangible assets
Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortization and accumulated impairment losses. Amortization will be recognised 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 recognised 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 recognised for all timing differences and deferred tax assets are recognised 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 Related parties
A related party is a person or entity that is related to the Group.

A. A person or a close member of that person's family is related to the Group if that person:

   i. has control or joint control over the Group;
   ii. has significant influence over the Group; or
   iii. is a member of the key management personnel of the Company or of a parent of the Company.

B. A person or a close member of that person's family is related to the Group if that person

   i. The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
   ii. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
   iii. Both entities are joint ventures of the same third party.
   iv. One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
   v. The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group.
   vi. The entity is controlled or jointly controlled by a person identified in (A).
   vii. A person identified in (A)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
   viii. The entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to a parent of the Company.

2.14 Provisions and contingent liabilities
Provisions are recognised for liabilities of uncertain timing or amount when the Group has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow is remote.

2.15 Events after the reporting period
Events after the reporting period that provide additional information about the Group's position at the end of the reporting period or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the financial statements when material.

2.16 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 recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both periods.

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 recognised 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 approximately of £33.7 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 9.

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 19.

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.

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

As such, the Company's 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.

3. Other income

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

	Year ended 31 March 2026	Year ended 31 March 2025
	£	£
Other income	147,555	51,000

4. Operating profit/(loss)

Detailed below are the key amounts recognised in arriving at the operating profit for the year;

	Year ended 31 March 2026	Year ended 31 March 2025
	£	£
Employee benefit expenses	245,000	170,000
Employee social security costs	16,499	20,950
Contributions to money purchase pension scheme	1,284	1,321
Auditors remuneration for the audit of these financial statements	75,000	299,112
Auditors remuneration for non-audit services	–	37,000
Listing costs	273,794	1,443,506
Equity raising fees	150,288	597,664
Professional fees	418,461	401,316

The current year's auditor remuneration costs relate to amounts paid and accrued for Edwards Veeder (UK) Limited 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 listing costs relate to listing of the Company on Euronext in Amsterdam.

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

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

5. Employee benefit expenses

	Year ended 31 March 2026	Year ended 31 March 2025
	£	£
Directors' emoluments	245,000	170,000
Directors' social security costs	16,499	20,950
HMRC Class 1 National Insurance Employer Allowance	(5,000)	(5,000)
Contributions to money purchase pension scheme	1,284	1,321

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

Money purchase schemes	1	1

The Company had 5 directors in the year (2025: 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 2026	Year ended 31 March 2025
	£	£
Finance costs relating to convertible bonds expensed to profit or loss	–	357,189
(Reversal of) Finance costs relating to Convertible bonds expensed to the profit and loss	–	(73,775)
Finance costs relating to intercompany loan measured at amortised cost	336,904	303,432
Finance costs relating to Loan notes 2024 10%	238,027	73,036
Lease expenses	89,988	–
	664,919	**659,882**

7. Income tax expense

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

	Year ended 31 March 2026	Year ended 31 March 2025
	£	£
Profit/loss before taxation for the year	8,774,693	2,167,138
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 25.00% (2025: 25.00%)	2,193,673	541,784
Income not taxable for tax purposes	(7,356)	–
Expenses not deductible for tax purposes	295,429	674,914
Tax effect of deductible temporary differences not recognised	75,956	–
Tax losses previously not recognised	–	(350,322)
Taxation charge for the period	**2,557,702**	**866,376**

Deferred tax	Year ended 31 March 2026	Year ended 31 March 2025
	£	£
Deferred tax charge	3,057,449	1,604,626
Tax losses recognised	(499,747)	(738,250)
Tax on profit/(loss) for the year	**2,557,702**	**866,376**

8. Tangible assets

	Leasehold improvements
Cost	**£**
At 1 April 2024	–
Additions	51,939
At 31 March 2025	**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**

	Leasehold improvements
Cost	**£**
At 1 April 2025	51,939
Disposal	(51,939)
At 31 March 2025	**-**
Accumulated depreciation	
At 1 April 2025	–
Charged to statement of Comprehensive income	–
At 31 March 2026	–
Net book value 31 March 2026	**-**

9. 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 purposes.

The fair value of the investment property at 31 March 2026 was £33,729,796 (2025: £21,500,000). A fair value gain of £12,229,796 (2025: £6,418,504) 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.

At 31 March 2026	Level 1 £	Level 2 £	Level 3 £	Total £
Investment property	**-**	**-**	**33,729,796**	**33,729,796**

At 31 March 2026	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
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.

10. *continued*

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	**£69m**	If forecast development costs were reduced, fair value would increase

Investment Property and Right of Use Asset - Fair Value Measurement (continued)

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	**(13.3m)**
0.25% decrease in Yield	**1.3m**
5% decrease in developers profit	**0.7m**
5% decrease in forecast development costs	**3.4m**

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

	2026 £	2025 £
Opening balance	21,500,000	–
Additions and intangible assets transferred (note 11)	–	6,782,796
Impairment of group receivable	–	6,996,221
Right of use lease asset transferred	–	1,302,479
Fair value gain recognised in profit or loss	12,229,796	6,418,504
Closing balance	**33,729,796**	**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**
Fair value adjustment	12,229,796	–	12,229,796
At 31 March 2025	**32,427,317**	**1,302,479**	**33,729,796**

The lease commenced on 31 March 2025; no lease interest expense was recognised in the 2025.

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.

10. 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:

	2026 £	2025 £
Due within one year	90,000	90,000
Due between two and five years	360,000	360,000
Due in more than five years	10,687,500	10,800,000
Total payable	11,137,500	11,250,000
Interest over the lease term	(9,891,492)	(9,981,480)
Total lease liability	**1,246,008**	**1,268,520**

	2026 £	2025 £
Current	90,000	90,000
Non-current	1,156,008	1,156,008
	1,246,008	**1,268,520**

The Lease agreement was signed and commenced on 31 March 2025. 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.

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.

Significant judgements
Management exercised significant judgement in applying IFRS 16 to the lease of the tunnels from ETL.

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.

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.

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.

11. Intangible assets

	2024 £
Cost	
At 1 April 2024	6,191,500
Additions	584,123
Capitalised borrowing costs	7,173
Transfer to investment property (Note 9)	(6,782,796)
At 31 March 2025 and 2026	–
Carrying amount	
At 31 March 2025 and 2026	–

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 9)

12. Non-current trade and other receivables

	2026	2025
	£	£
Amounts owed by group undertakings	1,189,979	1,302,479

Amounts owed by group undertakings are 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 assets.

Linked lease–loan transaction and impact on the Right-of-Use asset
The advances to 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 initial carrying amount of the receivable from ETL 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. This amount will offset future rental payments.

13. Current trade and other receivables

	2026	2025
	£	£
Prepayments	2,921	54,891
Deposits	–	880,000
Amounts owed by group undertakings	–	13,200
Other debtors	45,644	45,087
Other taxation	238,874	105,079
	287,439	**1,098,257**

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

Other debtors of £45,644 (2025: £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. The amount was fully impaired during the year ended 31 March 2026.

14. Share capital

Ordinary share capital	2026 £	2025 £
Issued, called up and fully paid Ordinary shares of £1 (2025: £0.001) each	1	69,970

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.

During the year, the Company issued 744,065 shares, and net proceed were £1,488,141.

On 25 September 2025, the court approved the share capital reduction and issue a new share to The London Tunnels, incorporated in Cayman Island.

15. Borrowings and other debts

	2026 £	2025 £
Zero-coupon convertible bonds	410,371	410,371
Loan notes 2024 10%	2,791,063	2,353,036
Amounts owed to parent company	3,361,721	3,024,817
	6,563,155	**5,788,224**

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

	2026 £	2025 £
Zero-coupon convertible bonds	410,371	410,371

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 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;

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.

15. *continued*

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

	2026	2025)
	£	£
Balance at 01 April	5,788,224	9,985,596
Cash adjustments:		
Convertible bonds issued in the year	–	1,327,473
Loan notes 2024 10%	200,000	2,280,000
Non-cash adjustments:		
Finance costs of Zero Coupon Convertible Bonds capitalised to borrowings	–	364,362
Finance costs of Loan received from parent company	336,904	303,432
Finance costs of Convertible Bonds capitalised to borrowings	–	(73,775)
Finance charges capitalised to Loan notes 2024 10%	238,027	73,036
Zero-coupon convertible bonds converted to equity in the year	–	(1,693,900)
Convertible bonds converted to equity in the year	–	(6,778,000)
Balance at 31 March	**6,563,155**	**5,788,224**

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.

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.

16. Trade and other payables

	2026	2025
	£	£
Trade payables	446,402	630,429
Capital creditors	353,500	366,848
Accruals	119,515	478,322
Taxation and social security	20,277	16,059
	939,694	**1,491,658**

17. 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:

	2026				2025			
	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	939,694	939,694	–	–	1,491,658	1,491,658	–	–
Zero-coupon convertible bonds	410,371	410,371	–	–	410,371	–	410,371	–
Owed to parent company	2,519,348	–	2,519,348	–	2,519,348	–	–	2,519,348
Interest on amounts owed to parent company	842,373	–	842,373	–	505,469	–	–	505,469
Loan notes 2024 10%	2,480,000	2,280,000	200,000	–	2,280,000	–	–	–
Interest on loan notes 2024 10%	311,063	301,036	10,027		73,036	–	–	–
Total financial liabilities	**7,502,849**	**1,491,657**	**3,571,748**	–	**7,279,882**	**1,491,658**	**2,763,407**	**3,024,817**
Financial assets: current and non-current								
Trade and other receivables	1,474,497	284,518	1,189,979	–	2,345,845	1,043,366	1,302,479	–
Total financial assets	**1,474,497**	**284,518**	**1,189,979**	**-**	**2,400,736**	**1,043,366**	**1,302,479**	**-**
Net receivable/ (debt)debt	**(6,028,352)**	**(3,646,583)**	**(2,381,769)**	**-**	**(4,934,037)**	**(448,292)**	**(1,460,928)**	**(3,024,817)**

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 15 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 a 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.

17. *continued*

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

As at 31 March 2026	Current	More than 1 year overdue	Total
	£	£	£
Amount owed by group undertakings	–	1,189,979	1,189,979
Other debtors	45,644	–	45,644
Other taxation	238,874	–	238,874
Gross carrying amount	**284,518**	**1,189,979**	**1,474,497**

As at 31 March 2025	Current	More than 1 year overdue	Total
	£	£	£
Deposits	880,000	–	880,000
Amount owed by group undertakings	13,200	1,302,479	1,315,679
Other debtors	45,087	–	45,087
Other taxation	105,079	–	105,079
Gross carrying amount	**1,043,366**	**1,302,479**	**2,345,845**

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

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.

18. Deferred taxation

	Total
	£
At 1 April 2024	**-**
Charge to profit or loss	**866,376**
At 31 March 2025	**866,376**
Charge to profit or loss	2,557,702
At 31 March 2026	**3,424,078**

The UK deferred tax liability has been calculated to reflect the tax rate at which the deferred tax liability is expected to become payable.

	Fair value adjustment of property	Management expenses	Tax losses	Total
	£	£	£	£
At 1 April 2024	–	–	–	–
Charge to profit or loss	1,604,626	(684,750)	(53,500)	866,376
At 31 March 2025	**1,604,626**	**(684,750)**	**(53,500)**	**866,376**
Charge to profit or loss	3,057,449	(531,930)	32,183	2,557,702
At 31 March 2026	**4,662,075**	**(1,216,680)**	**(21,317)**	**3,424,078**

19. 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	2026	2025
	£	£
Other income from Client Services (Global) Limited	145,000	50,000
Purchases from Client Services (Global) Limited	766,517	952,012
Finance costs from TCF	238,027	73,036
Finance costs from Cupcake Partners Limited	336,609	303,432
Bad debt for EC1 Property Management Ltd	880,000	–

Funding and capital transactions	2026	2025
	£	£
Loan to Exchange Tunnels Limited	–	7,111,900
Loan Note from TCF	2,791,063	2,353,036
Present value of lease liability with Exchange Tunnels Limited	1,246,009	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. The loan advances and the lease arrangement have been assessed as linked transactions that were not entered into on an arm's-length basis.

Year-end balances with related parties	2026	2025
	£	£
Amounts due to related parties		
Cupcake Partners Limited – immediate parent company	3,361,426	3,024,817
Client Services (Global) Limited – common directorship	–	249,513
Amounts owed by related parties		
Exchange Tunnels Limited – fellow group subsidiary	1,189,979	1,315,679
EC1 Property Management Ltd – fellow group subsidiary	–	880,000
Client Services (Global) Limited – common directorship	234,000	60,000

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.

For the year ended 31 March 2025, 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.

19. *continued*

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.

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:

	2026	2025
	£	£
short-term employee benefits		
Angus Murray	140,000	140,000
Katharine Leo	30,000	30,000
Charles Nelson	25,000	–
Peter Francis Curtin	25,000	–
Andrew Jones	25,000	–
post-employment benefits		
Angus Murray	1,284	1,321
Katharine Leo	–	–

20. Events after the reporting date

Subsequent to the reporting date, the Company has received funding of £227,757 from its parent company. The funds were received to support the Company's ongoing working capital requirements. As the receipt occurred after the reporting date and does not provide evidence of conditions that existed at the balance sheet date, no adjustment has been made to the amounts recognised in these financial statements. Management has considered the receipt to be a non-adjusting post balance sheet event and has disclosed it accordingly.

21. Commitments, guarantees and contingent liabilities

As at 31 March 2026, The Company did not have any significant contingent liabilities.

22. 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.

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Independent Auditors Report

Independent auditor's report to the members of The London Tunnels Ltd

EDWARDS VEEDER
CHARTERED ACCOUNTANTS & BUSINESS ADVISORS

Opinion

We have audited the financial statements of The London Tunnels Ltd (the 'company') for the year ended 31 March 2026 which comprise Statement of Profit or Loss and Other Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in the preparation of the financial statements is applicable law UK adopted international accounting standards.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2026 and of the company's loss 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 under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 2.1 in the financial statements, which mentions that the Company incurred operating cashout flow of £2,479,389 for the year ended 31 March 2026. Note 2.1, indicate that a material uncertainty exists 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.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the entity's ability to continue to adopt the going concern basis of accounting included:

- Reviewing management's financial statements projections which covered a period of at least 12 months from the date of approval of the consolidated financial statements.
- Challenging management on the assumptions underlying those projections particularly on the nature and timing of forecast cash inflows.
- Obtaining the latest management accounts post period end to benchmark how the group is performing toward achieving the forecast.
- Assessing the completeness and accuracy of the matter described in the going concern disclosure within the significant accounting policies as set out on note 2.1.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Our approach to the audit
Our scoping of the company audit was tailored to enable us to give an opinion on the financial statements as a whole. The company was subject to a full scope audit.

Our application of materiality
In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements. We used the concept of materiality to both focus our testing and to evaluate the impact of misstatements identified.

Based on our professional judgement, we determined overall materiality for the financial statements as a whole to be approximately £465,551, based on 2% of net assets.

We used different level of materiality ('performance materiality') to determine the extent of our testing for the audit of the financial statements. Performance materiality is set based on the audit materiality as adjusted for the judgements made as to the entity risk and our evaluation of the specific risk of each audit area having regard to the internal control environment. This is set at approximately £349,163 for the company.

Where considered appropriate performance materiality may be reduced to a lower, such as, for related party transactions and Directors' remuneration.

We agreed to report to it all identified errors in excess of approximately £23,278. Errors below that threshold would also be reported to it if, in our opinion as auditor, disclosure was required on qualitative grounds.

Other information
The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the company financial statements and the part of the directors' remuneration report to be audited 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.

Responsibilities of directors
As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 together with the UK adopted international accounting standards. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the company for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation (GDPR), taxation legislation, and employment legislation.

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.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within judgement and estimates, and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and those charged with governance about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, and reading minutes of meetings of those charged with governance.

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 (irregularities) 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 irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

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.

Lee Lederberg FCCA (Senior Statutory Auditor)
for and on behalf of Edwards Veeder (UK) Limited
Chartered accountants & statutory Auditor
4 Broadgate, Broadway Business Park
Chadderton, Oldham OL9 9XA

Lee Lederberg

30 June 2026

EDWARDS VEEDER
CHARTERED ACCOUNTANTS & BUSINESS ADVISORS

THE LONDON TUNNELS LTD

Registered No. 13160590