



INTERIM RESULTS ANNOUNCEMENT

For the six-month period ended 30 September 2024

THE LONDON TUNNELS PLC

Registered No. 13160590

Management Overview

Executive Summary

Listing

During the reporting period, The London Tunnels PLC achieved a significant milestone with its listing on Euronext Amsterdam, facilitated by ABN AMRO Bank NV. This strategic initiative has provided the company with access to the European equity and debt capital markets. Since the listing on 27 June 2024 and up to 30 September 2024, the company had issued 3,256,398 new shares, with an additional 923,219 shares issued up to the signing date of the condensed interim financial statements. The company's presence on Euronext Amsterdam remains an important factor in achieving its long-term strategic vision.

As noted with the Annual Report for the financial year ended 31 March 2024, the Company is focused on developing the Kingsway Exchange Tunnels and the directors have identified factors that could influence the project's timeline and cash flow, emphasizing the need for additional funding to sustain operations and achieve a commercial launch. The estimated funding requirement, still expected to be in the region of £100m, will be pursued through various means, including equity, loans, private credit, and potentially a project bond.

Planning

The company received unanimous planning approvals from the City of London on June 11, 2024, and from Camden Council on July 11, 2024. These approvals are significant milestones that pave the way for the next stages of our development and the company is currently formalising the Section 106 agreements, under the Town and Country Planning Act 1990 (England and Wales), with the local planning authorities.

Whilst the agreements are being formalised the company, along with its project management team, are discussing the next steps for commencing the next stages of the Royal Institute of British Architects (RIBA) stages three and four.

Outlook

During the second half of the financial period the company is seeking to finalize the agreement to lease the Kingsway Exchange Tunnels from Exchange Tunnels Ltd and progress through the next RIBA stages. The Company received £1,980,000 from Infrastructure LDN Credit Fund as proceeds from the 10 per cent loan note and used the funds to finance the acquisition of the tunnels.

Integral to achieving the company's goals is the raising of further new capital through both the equity and debt markets. To aid the Company in its efforts, on 17 January 2024, the Company announced that the placing period was extended for a period of 150 days to accommodate the completion of the settlement process of the remaining part of the irrevocable commitments.

The Company intends to raise up to £30 million through the issue and received irrevocable commitments from 15 investors to subscribe for 12,490,000 Ordinary Shares in the Placing. At the date of signing these Condensed interim financial statements, the Company has received c£6.6m and are awaiting the receipt of the remainder. Without these further equity amounts and without further funding, the Company would face challenges in continuing its activities and achieving its goal of launching commercially.

The company has not yet committed to further capital outflows until such time as further inflows are received through the new issue of shares or debt capital.

Key highlights

During the interim period, the company achieved several significant milestones that strengthened its position. These included converting £7.1 million of Zero-Coupon Convertible Bond debt and a further £6.8 million of Convertible Bond debt into equity, securing planning permissions from both the City of London and Camden Council, and successfully gaining admission to listing on Euronext Amsterdam.

Chairman's Statement

Dear Shareholders,

I am pleased to present to you the interim financial results for the first half to 30 September 2024.

Key milestones

For the six months ended 30 September 2024 the Company maintained its progress in reaching the milestones it was projecting.

- Listing on a major exchange Euronext Amsterdam,
- unanimous planning approvals from the City of London on June 11, 2024, and from Camden Council on July 11, 2024.
- Raising capital through the placement of shares.

Looking ahead

Looking ahead, our primary focus will be to complete the leasehold purchase of the Kingsway Exchange Tunnels, an essential step toward transforming The London Tunnels into a landmark attraction and, following the leasehold purchase, the Companies next milestone is to raise sufficient funding to progress through the Royal Institute of British Architects stages three and four.

Our vision is to develop this unique asset to rival iconic London attractions such as The London Eye and Madame Tussauds. With a projected annual capacity of 3 million visitors, this development will be a landmark addition to London's cultural and historical landscape, seamlessly blending historical significance with modern appeal.

Acknowledgements

I want to take this opportunity to thank our dedicated employees, management team, and board of directors for their hard work and commitment. I also extend my gratitude to you, our shareholders, for your continued trust and support. Together, we are building a resilient and forward-looking company poised for long-term success.

Thank you for your continued confidence in our company.

Yours sincerely,

Peter Curtin

Chairman of the Board | The London Tunnels PLC

A handwritten signature in black ink, appearing to read "P. Curtin".

Directors' Report

The directors have pleasure in presenting the interim report on the affairs of the Company, together with the condensed interim financial statements, for the six-month period ended 30 September 2024. Comparative figures relate to the six-month period ended 30 September 2023.

Details of significant events since the balance sheet date are contained in note 17 to the financial statements.

Statement of the Board of Directors

To our knowledge:

The condensed interim financial statements for the six-month period ended 30 September 2024, which have been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the UK, give a true and fair view of the assets, liabilities, financial position and the profit or loss of the Company.

The Directors' Report for the six-month period ended 30 September 2024 provides a true and fair view of the information set out in Article 5:25d, paragraphs 8 and 9 of the Dutch Financial Supervision Act.

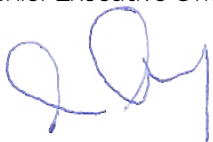
Results

The statement of comprehensive income is set out below and shows the loss for the six-month period to 30 September 2024. The directors consider the loss for the period to be in line with expectations. The directors do not recommend the payment of a dividend.

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

Angus Murray

Chief Executive Officer | 14 February 2025





Condensed Interim Financial Statements

For the six-month period ended 30 September 2024

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Condensed statement of profit or loss and other comprehensive income

Unaudited

		Six-month period ended 30 September 2024	Six-month period ended 30 September 2023 (restated)
	Notes	£	£
Administrative costs		(2,818,385)	(610,135)
Operating loss		(2,818,385)	(610,135)
Finance income		44,903	520
Finance costs	6	(434,984)	(755,271)
Loss before tax		(3,208,466)	(1,364,886)
Income tax expense	7	-	-
Loss for the period after tax		(3,208,466)	(1,364,886)
Earnings per share attributable to equity holders of the company			
Basic and diluted earnings per share	8	(0.05)	(42.13)

The condensed statement of comprehensive income for the interim six-month period ended 30 September 2023 has been restated, see note 17.

The results above have been derived from continuing operations.

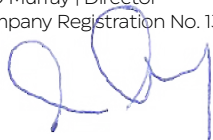
Condensed statement of financial position

Unaudited

		As at 30 September 2024	As at 31 March 2024 (restated - note 17)
	Notes	£	£
Non-current assets			
Intangible assets	9	6,727,295	6,191,500
Trade and other receivables	10	1,200,000	1,200,000
Total non-current assets		7,927,295	7,391,500
Current assets			
Trade and other receivables	11	1,123,035	1,406,930
Cash and cash equivalents		5,501,089	2,627,961
Total current assets		6,624,124	4,034,891
Total assets		14,551,419	11,426,391
Capital and reserves			
Called up share capital	12	68,757	59,075
Prepaid share reserve	12	-	5,396,044
Share premium	12	18,677,158	-
Accumulated losses		(10,108,852)	(6,900,386)
Total equity		8,637,063	(1,445,267)
Non-current liabilities			
Borrowings and other debts	13	3,283,325	9,985,596
Total non-current liabilities		3,283,325	9,985,596
Current liabilities			
Trade and other payables	14	1,931,031	1,395,062
Provisions	15	700,000	1,491,000
Total current liabilities		2,631,031	2,886,062
Total liabilities		5,914,356	12,871,658
Total equity and liabilities		14,551,419	11,426,391

These condensed interim financial statements were approved by the Board of Directors and authorised for issue on 14 February 2025. They were signed on its behalf by:

ASD Murray | Director
Company Registration No. 13160590



Condensed statements of cash flows

Unaudited

The Statements of Cash Flows of the Company for the six month period ended 30 September 2023 and the six-month period ended 30 September 2024 are set out below:

	Period ended 30 September 2024	Period ended 30 September 2023 (restated)
	£	£
Loss for the period	(3,208,466)	(1,364,886)
Adjustments for:		
Finance income	(44,903)	(520)
Finance costs	434,984	755,271
Operating cash flows before movements in working capital	(2,818,385)	(610,135)
Movement in trade and other receivables	283,895	(186,694)
Movement in trade and other payables	(255,031)	1,350,785
Cash (used in)/generated from operations before interest and tax	(2,789,521)	553,956
Finance income	44,903	-
Net cash (used in)/generated from operating activities	(2,744,618)	553,956
Purchase of intangible assets	(528,623)	(2,105,463)
Intercompany loan paid to EC1 Property Management Limited	-	(450,000)
Intercompany loan paid to Exchange Tunnels Limited	-	(700,000)
Net cash used in investing activities	(528,623)	(3,255,463)
Proceeds from issue of shares	4,818,896	-
Proceeds from issue of convertible loans	1,327,473	1,161,000
Net cash from financing activities	6,146,369	1,161,000
Net increase/(decrease) in cash and cash equivalents	2,873,128	(1,540,507)
Cash and cash equivalents at the beginning of the period	2,627,961	2,716,725
Cash and cash equivalents at the end of the period	5,501,089	1,176,218

The Statement of Statements of Cash Flows for the interim six-month period ended 30 September 2023 has been restated, see note 17.

Condensed statements of changes in equity

Unaudited

The unaudited Statements of Changes in Equity of the Company for the six month period ended 30 September 2023, the six month period ended 31 March 2024 and the six month period ended 30 September 2024 are set out below:

	Share capital	Equity reserve	Share premium	Prepaid share reserve	Accumulated losses	Total
Notes	£	£	£	£	£	£
As at 1 April 2023	32,400	332,017	-	-	(491,956)	(127,539)
Impact of prior year adjustment (see note 17)	-	(332,017)	-	-	(1,475,090)	(1,807,107)
As at 1 April 2023 (restated)	32,400	-	-	-	(1,967,046)	(1,934,646)
Loss and total comprehensive loss for the period	-	-	-	-	(1,364,886)	(1,364,886)
As at 30 September 2023 – restated	32,400	-	-	-	(3,331,932)	(3,299,532)
As at 31 March 2024	59,075	-	-	5,396,044	(6,900,386)	(1,445,267)
Loss and total comprehensive loss for the period	-	-	-	-	(3,208,466)	(3,208,466)
Shares issued in the period	2,409	-	4,816,487	-	-	4,818,896
Conversion of Zero-Coupon Convertible Bonds	3,545	-	7,086,399	(5,396,044)	-	1,693,900
Conversion of convertible bonds	13 3,728	-	6,774,272	-	-	6,778,000
						-
As at 30 September 2024	68,757	-	18,677,158	-	(10,108,852)	8,637,063

The Condensed Statement of Changes in Equity for the six-month period ended 30 September 2023 has been restated, see note 17.

Notes to the condensed interim financial statements for the six-month period ended 30 September 2024

1. Company information

The Company is a public company limited by shares incorporated in England and Wales. The registered office is 2nd Floor, Nicola Jane House, Southern Gate, Chichester, West Sussex, United Kingdom, PO19 8SE.

2. Basis of preparation

The Company Condensed Interim Financial Statements are for the six month period ended 30 September 2024, being six months from the financial year end of the Company, being 31 March 2024. The comparative figures for 31 March 2024 are not the company's statutory accounts for that financial year. Those accounts were reported on by the auditor and approved by the Board of Directors on 9 December 2024. The auditor's report on those financial statements was not qualified and did not contain statements under section 498(2) or (3) of the Companies Act 2006. However, it did include a reference to a material uncertainty related to going concern being a matter to which the auditor drew attention by way of emphasis without qualifying the auditor's report.

We draw attention to note 2.3 to the financial statements which indicates that there is uncertainty over future funding which is required for the company to sustain its operations over the next 18 months. These events and conditions, along with other matters explained in note 2.3, constitute a material uncertainty that may cast significant doubt over the Company's ability to continue as a going concern.

The Company Condensed Interim Financial Statements are unaudited. The Company Condensed Interim Financial Statements do not constitute statutory accounts within the meaning of section 434 of the UK Companies Act 2006.

The Company Condensed Interim Financial Statements have been prepared on the historical cost basis, except for assets and liabilities measured at fair value through profit and loss, and are presented in £, which is the currency of the primary economic environment in which the Company operates. All amounts have been rounded to the nearest £, unless otherwise stated.

2.1 Accounting convention

The Company Condensed Interim Financial Statements have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" (IAS 34), as adopted for use in the UK. The condensed interim financial statements are not statutory accounts. The financial reporting period represents the six-month period ended 30 September 2024 and the prior period, six-month period ended 30 September 2023 and are presented in GBP which is the Company's functional currency.

2.2 Accounting policies

The annual financial statements of the company are prepared in accordance with UK-adopted international accounting standards. These condensed interim financial statements have been prepared applying the accounting policies set out in the annual report and financial statements for the year ended 31 March 2024.

The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

2.3 Going concern

The Company's business activities include the proposed development of the Kingsway Exchange Tunnels. Factors likely to affect this future development, including the timing of the project to start generating revenues have been discussed by the Directors.

As the Company does not currently operate a revenue-generating business and is in the process of preparing the Tunnels for commercial launch, it will need to secure additional funding over the foreseeable future to sustain its operations. Whilst the Company has the ability to delay further non-committed capital expenditure, without further funding, the Company may face challenges in continuing its activities and achieving its goal of launching commercially. The Company intends to raise up to £30 million through the issue and received irrevocable commitments from 15 investors to subscribe for 12,490,000 Ordinary Shares at the Issue Price (i.e., for a total amount of £24,980,000) in the Placing. As at the date of signing these condensed interim financial statements, the Company has raised c£6.6m and without further funding, the Company might face challenges in continuing its activities and achieving its goal of launching commercially. Since the year end, the raising of new capital and related party loan funding has been received and lent on to Exchange Tunnels Limited to allow it to acquire the freehold interest in the Kingsway exchange tunnels and for working capital toward the development of the project over the next 1-2 years.

The Directors have reviewed the cash flow forecasts of the Company for the 18 months subsequent to the date of approval of these Company Condensed Interim Financial Statements (going concern assessment period). The Company will need to raise additional capital to fund its operations, which include manufacturing, construction and other activities. The Company anticipates that this additional funding will need to be raised periodically from 2025 to at least 2027 and estimates that the total investment could be in the region of £120 million, assuming audio visual technology and hardware is leased. This amount is expected to be raised through a combination of equity, bank lending, non-bank lending (such as private credit) and/or the issue of a project bond. The Company is already in discussions with various financial institutions and lenders, some of whom have already proposed indicative financing terms. Based on the above indications the directors believe that it remains appropriate to prepare the condensed interim financial statements on a going concern basis. However, these matters indicate the existence of a material uncertainty related to events of conditions that may cast significant doubt on the entity's ability to continue as a going concern and that it may therefore be unable to realise its assets and discharge its liabilities in the normal course of business.

The Directors have reasonable measures in place to defer significant costs until adequate funding is raised and therefore, they continue to adopt the going concern basis of accounting in preparing the company condensed interim financial statements.

The Company Condensed Interim Financial Statements do not include any adjustments that would result from the basis of preparation being inappropriate.

2.4 Significant judgements and key sources of estimation uncertainty

In preparing these condensed financial statements, the key estimates and judgments used were consistent with those applied to the company's published financial statements for the year ended March 31, 2024.

3. Operating loss before tax

Detailed below are the key amounts recognised in arriving at the loss before taxation for the period.

	Six-month period ended 30 September 2024	Six-month period ended 30 September 2023
	£	£
Foreign Exchange gains/(losses)	9,245	179
Research costs	40,000	-
Listing costs and equity raising fees	2,046,193	279,194
Professional fees	217,723	8,990
Employee benefit expenses	85,000	66,271
Employee social security costs	5,475	8,399
Contributions to money purchase pension scheme	660	-

Listing costs were incurred this period relating to listing of the Company on Euronext in Amsterdam. Equity raising fees were incurred this period relating to raising funding to finance the business for expected future activities.

4. Other income

The Company is at a pre-revenue stage and hence revenue to date is £nil.

5. Employment benefit expenses

	Six-month period ended 30 September 2024	Six-month period ended 30 September 2023
	£	£
Directors' emoluments	85,000	66,271
Directors' social security costs	5,475	8,399
Contributions to money purchase pension scheme	660	-
	91,135	74,670

The number of directors accruing benefits under the pension scheme was as follows

Money purchase schemes 1

The average monthly number of persons (including the Directors) employed by the Company during the period was:

	Six-month period ended 30 September 2024	Six-month period ended 30 September 2023
	Number	Number
Directors	5	4

The Company had 5 directors in the six-month period ending 30 September, there were no other employees in the company in the six-month period ending 30 September, 2024.

6. Finance costs

	Six-month period ended 30 September 2024	Six-month period ended 30 September 2023
	£	£
Finance costs on Zero Coupon Convertible Bonds expensed to profit or loss	1,200,481	658,145
Effect of prior year adjustment (note 17)	(843,291)	-
Finance costs on intercompany loan measured at amortised cost	151,569	90,365
Finance costs on Convertible Bonds expensed to profit of loss net	(73,775)	-
	434,984	748,510

7. Taxation

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

	Six-month period ended 30 September 2024	Six-month period ended 30 September 2023 (restated)
	£	£
Loss before taxation	(3,208,466)	(1,364,886)
Expected tax credit based on the standard rate of corporation tax in the UK of 25% (2023: 25%)	(802,117)	(341,222)
Effects of: Expenses not deductible for tax purposes	511,548	69,799
Unutilised tax losses carried forward	290,569	271,422
Taxation charge for the period	-	-

The company has carried forward tax losses of £1,167,693 (2023: £548,527). No deferred tax asset has been recognised in respect of these losses due to uncertainty around the timing of generation of future profits.

8. Earnings per share

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

	As at 30 September 2024	As at 30 September 2023
	£	£
Basic earnings per share		
Weighted average number of shares (units)	65,054,021	32,400
(Loss) for the year/period after tax from continuing operations (£)	(3,208,466)	(1,364,886)
Basic earnings per share (pence)	(0.05)	(42.13)

9. Intangible fixed assets

	Intellectual property	Total
	£	£
Cost		
As at 31 March 2024	6,191,500	6,191,500
Additions	528,623	528,623
Capitalised borrowing costs	7,172	7,172
As at 30 September 2024	6,727,295	6,727,295
Amortisation and impairment		
As at 31 March 2024	-	-
Charge for the period	-	-
As at 30 September 2024	-	-
Carrying amount		
As at 30 September 2024	6,727,295	6,727,295
As at 31 March 2024	6,191,500	6,191,500
	Intellectual property (restated)	Total
	£	£
Cost		
As at 31 March 2024	-	-
Additions	5,880,859	5,880,859
Capitalised borrowing costs	310,641	310,641
As at 31 March 2024	6,191,500	6,191,500
Amortisation and impairment		
As at 31 March 2023	-	-
Charge for the period	-	-
As at 31 March 2024	-	-
Carrying amount		
As at 31 March 2024	6,191,500	6,191,500

See notes overleaf >

Development costs relating to the development of the Tunnels amounting to £528,623 have been capitalised as these costs are directly attributable to the development of the Tunnels and are necessary to create, produce and prepare the asset capable of operating in a manner intended by management and therefore were appropriate to capitalise these costs. At the period end, £414,494 of development costs is included in trade and other payables, see note 14.

During the period, the company incurred total borrowing costs of £772,272. Of this amount, £7,172 was capitalised to intellectual property assets, in line with IAS 23 Borrowing Costs, as these costs were directly attributable to the development of qualifying assets requiring significant time to prepare for their intended use.

The remaining borrowing costs of £765,100 were recognised in the statement of profit or loss, as they were not directly related to qualifying assets, see note 6.

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

10. Non-current trade and other receivables

	As at 30 September 2024	As at 31 March 2024
	£	£
Amounts owed by group undertakings	1,200,000	1,200,000

Amounts owed by group undertakings relate to an agreement for lease between Exchange Tunnels Ltd ("ETL"), as landlord, and the Company, as tenant, in respect of the Tunnels dated 10 July 2023 under which the Company has been granted a 100-year peppercorn lease of the Tunnels conditional on the transfer of the following properties to ETL:

- the Kingsway Tunnels (Title Number: LN182998);
- 31-33 High Holborn (Title Number: LN182998); and
- 38-39 Fumival Street (Title Number: 275219).

The Company and Exchange Tunnels Limited agreed that the Company will have to acquire the leasehold from Exchange Tunnels Limited on or before 30 June 2025. The deposits paid by the Company will be applied against these lease arrangements if the transfer and lease conditions are fulfilled.

11. Current trade and other receivables

	As at 30 September 2024	As at 30 September 2023
	£	£
Amounts owed by group undertakings	–	33,608
Other debtors	141,035	135,750
Deposits	880,000	880,000
Prepayments	102,000	357,572
	1,123,035	1,406,930

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

Deposits relate to amounts held by a landlord in relation to property rentals. The Company has paid EC1 Property Management Limited £880,000 and EC1 Property Management Limited 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.

Prepayments are recoverable through services to be received in the normal course of business and deposits are expected to be recovered in line with lease arrangements. Other debtors relate to recoverable tax balances due to the Company as at period-end.

Amounts owed by group undertakings are unsecured, non-interest bearing, have no fixed date of repayment and are repayable on demand. Management expects to receive this amount within 12 months so is therefore classified as a current asset.

12. Share capital

	As at 31 March 2024	As at 30 September 2024	As at 31 March 2024	As at 30 September 2024
	Number	Number	£	£
Ordinary shares issued and fully paid				
Ordinary shares of £1 each	59,075,000	68,757,320	59,075	68,757

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 to in the prior half-year period and was executed in the current period. A prepaid share reserve of £5,396,044 was recorded in equity in the prior period and this was converted to ordinary shares in the current period, and a share premium recognised accordingly.

Before listing, Convertible bonds with a value of £6,778,000 were converted to 3,727,900 ordinary shares on 26 June 2024 at a rate of £2 per share, and a share premium recognised accordingly.

Since the listing on 27 June 2024 and up to 30 September 2024, the company issued 3,256,078 new shares, with a nominal value of £3,256.08 for total consideration of £6,512,156, which resulted in share capital of £3,256.08 and share premium of £6,508,900 being recognised. The company has issued an additional 923,219 shares up to the signing date of the interim statements.

Within the newly issued shares, Zero-Coupon Convertible Bonds with a value of £1,322,950 and £370,950 were converted into 846,950 ordinary shares on 23 July 2024 and 13 August 2024 at a rate of £2 per ordinary share, and a share premium recognised accordingly.

13. Borrowing and others debts

Zero Coupon Convertible Bonds	Zero Coupon Convertible Bonds
	£
As at 31 March 2024 (as originally stated)	896,618
Effect of prior year adjustment (note 17)	843,291
As at 31 March 2024 (as restated)	1,739,909
Finance costs incurred in the period	357,190
Capitalised borrowing costs	7,172
Converted to equity in the period	(1,693,900)
As at 30 September 2024	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.

Zero-Coupon Convertible Bonds with a value of £1,322,950 and £370,950 were converted into ordinary shares on 23 July 2024 and 13 August 2024 at a rate of £2 per ordinary share, and a share premium recognised accordingly.

Full redemption of the remaining Zero-Coupon Convertible Bonds is not due until 2025, and could be extended to 2026, and are redeemable at £1,000 per Zero Coupon Convertible Bond. In addition, under the terms of the agreement, the Company and PEF may agree to the further early cash redemption of the remaining outstanding balance of the Zero-Coupon Convertible Bonds.

Convertible Bonds	Convertible Bonds
	£
As at 31 March 2024	5,524,302
Issued in the period	1,327,473
Net reversal of finance costs on convertible bonds (see note below)	(73,775)
Converted to equity in the period	(6,778,000)
As at 30 September 2024	-

Convertible Bonds with a value of £1,327,473 were issued in the period.

All convertible bonds on issue were converted at the admission price of £2 and at a ratio of 110% into new ordinary shares on 26 June 2024, and a share premium was recognised accordingly.

The convertible bonds included an interest free period. As certain bonds converted upon listing, before the interest rate stepped up, the conversion resulted in a reversal of amortized interest charged in the previous period.

No convertible bonds were outstanding as at the period-end.

Loans from group undertakings	As at 30 September 2024	As at 31 March 2024
	£	£
Amounts owed to parent company	2,872,953	2,721,385

The amount owed to Cupcake Partners Limited is unsecured, non-interest bearing and is repayable on 31 December 2029. The amount may be repaid prior to 31 December 2029, at the option of the Company, either partially or in full.

14. Trade and other payables

	As at 30 September 2024	As at 31 March 2024
	£	£
Trade payables	1,276,157	357,537
Capital creditors	414,494	347,391
Amounts owed to group undertakings	168,399	311,350
Accruals	67,661	343,784
Other liabilities	4,320	35,000
	1,931,031	1,395,062

Amounts owed to group undertakings are unsecured, non-interest bearing and have no fixed date of repayment and are repayable on demand.

15. Provisions

	As at 30 September 2024	As at 31 March 2024
	£	£
Provision for professional fees	700,000	1,491,000

The provision relates to professional fees payable to Client Services (Global) Ltd.

16. Related party transactions

Remuneration of key management personnel

The compensation of key management personnel is as follows:

	Six-month period ended 30 September 2024	Six-month period ended 30 September 2023
	£	£
Angus Murray	70,000	68,556
Katharine Leo	15,000	6,114
Post employment benefits	660	440

Transactions with related parties

During the period, the Company entered into the following transactions with related parties:

	Six-month period ended 30 September 2024	Six-month period ended 30 September 2023
	£	£
Purchases from Client Services (Global) Limited	811,910	322,835
Conversion of Zero-Coupon Convertible Bonds into new shares	1,693,900	-

Private Equity (ESC) Fund Inc, an investment fund of which Angus Murray is a director, converted Zero-Coupon Convertible Bonds with a value of £1,322,950 and £370,950 into ordinary shares on 23 July 2024 and 13 August 2024 at a rate of £2 per ordinary share, and a share premium recognised accordingly as shown in Note 13 further above.

The Company conducted a review of the classification of £1,491,000, which was initially disclosed as a contingent liability owed to Client Services (Global) Limited as at 31 March 2023 and in the Company Condensed Interim Financial Statements for the six month period ended 30 September 2023. Following further evaluation, it was determined that the amount more appropriately met the criteria for recognition as a provision for professional fees in the Statement of Financial Position. (see note 17)

This reclassification reflects the likelihood, as at the reporting date, of an obligation arising due to the success of the Company. The liability's timing and exact amount remained uncertain, but the conditions for recognition as a provision under IAS 37 Provisions, Contingent Liabilities, and Contingent Assets were met. A provision has therefore been recognised as shown in Note 15 further above.

	As at 30 September 2024	As at 31 March 2024
	£	£
Amounts owed by related parties		
Exchange Tunnels Limited – fellow group subsidiary	£1,200,000	£1,233,608
EC1 Property Management Limited – fellow group subsidiary	£880,000	£880,000
Amounts due to related parties		
Cupcake Partners Limited – immediate parent company	2,872,953	2,872,953
Client Services (Global) Limited – common directorship	868,399	1,802,350

17. Prior period adjustments

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

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

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

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

Impact on Condensed Statement of Financial Position As at 31 March 2024

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

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

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

Impact on Statement of cash flows as at 30 September 2023

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

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

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

18. Events after the reporting date

On 1 October 2024, the Company issued 123,029 shares at £2 per share.

On 8 October 2024, the Company issued 9,539 shares at £2 per share.

On 15 October 2024, the Company issued 74,368 shares at £2 per share.

On 29 October 2024, the Company issued 52,545 shares at £2 per share.

On 5 November 2024, the Company issued 18,089 shares at £2 per share.

On 29 October 2024, the Company issued 11,429 shares at £2 per share.

On 29 October 2024, the Company issued 34,022 shares at £2 per share.

On 5 November 2024, the Company issued 18,089 shares at £2 per share.

On 12 November 2024, the Company issued 11,429 shares at £2 per share.

On 19 November 2024, the Company issued 34,022 shares at £2 per share.

On 22 November 2024, the Company created a loan note instrument (Loan Notes 2024) constituting a 10 per cent loan note up to £10,000,000.

On 25 November 2024 a further £250,000 of the £1,491,000 liability that existed as at year-end owed to Client Services (Global) Ltd was paid leaving a balance of £450,000.

On 26 November 2024, the Company issued 38,940 shares at £2 per share.

On 25 November 2024, the Company received £1,980,000 from Infrastructure LDN Credit Fund as proceeds from the 10 per cent loan note, the loan note is repayable in 24 months. Infrastructure LDN Credit Fund is an investment fund of which Angus Murray is a director. Infrastructure LDN Credit Fund holds Ordinary Shares for the benefit of Castlestone Management LLC, an investment adviser wholly owned by Angus Murray.

On 29 November 2024, the Company advanced £7,098,700 to Exchange Tunnels Ltd. Exchange Tunnels Ltd will use the funds to finance the freehold acquisition of the Tunnels and to pay associated legal and other professional costs. Exchange Tunnels Ltd shall be deemed to have repaid the Loan (and any other amounts due but unpaid) in full on the lease date and from the lease date Exchange Tunnels Ltd shall be released and discharged from all obligations and liabilities (whether present or future, actual or contingent).

On 3 December 2024, the Company issued 111,559 shares at £2 per share.

On 10 December 2024, the Company issued 126,832 shares at £2 per share.

On 17 December 2024, the Company issued 62,131 shares at £2 per share.

On 24 December 2024, the Company issued 97,736 shares at £2 per share.

On 31 December 2024, the Company issued 24,900 shares at £2 per share.

On 7 January 2025, the Company issued 11,500 shares at £2 per share.

On 14 January 2025, the Company issued 34,559 shares at £2 per share.

On 21 January 2025, the Company issued 49,699 shares at £2 per share.

On 28 January 2025, the Company issued 39,842 shares at £2 per share.

On 11 February 2025, the Company issued 2,500 shares at £2 per share.

On 13 February 2025 a further £175,000 of the £1,491,000 liability that existed as at year-end owed to Client Services (Global) Ltd was paid leaving a balance of £275,000.

Independent review report to The London Tunnels PLC

Conclusion

We have been engaged by The London Tunnels PLC ("the Company") to review the condensed interim financial statements in the Interim Results Announcement for the six months ended 30 September 2024 which comprises the Statement of Profit or Loss and Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cashflows and the related explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that the condensed interim financial statements in the Interim Results Announcement for the six months ended 30 September 2024 are not prepared, in all material respects, in accordance with IAS 34 Interim Financial Reporting as adopted for use in the UK.

Material uncertainty related to going concern

We draw attention to note 2.3 to the condensed interim financial statements which indicates that there is uncertainty over future funding which is required for the Company to sustain its operations over the next 18 months. These events and conditions, along with the other matters explained in note 2.3, constitute a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

Our conclusion is not modified in respect of this matter.

Basis for conclusion

We conducted our review in accordance with International Standard on *Review Engagements (UK) 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity* ("ISRE (UK) 2410") issued for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. We read

the other information contained in the Interim Results Announcement and consider whether it contains any apparent misstatements or material inconsistencies with the information in the condensed interim financial statements.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Whilst the Company has previously produced condensed interim financial statements, those financial statements have not previously been subject to a review by an independent auditor. As a consequence, the review procedures set out above have not been performed in respect of the comparative period for the six months ended 30 September 2023.

Conclusions relating to going concern

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

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention that causes us to believe that the directors have inappropriately adopted the going concern basis of accounting, or that the directors have identified material uncertainties relating to going concern that have not been appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410. However, future events or conditions may cause the Company to cease to continue as a going concern, and the above conclusions are not a guarantee that the Company will continue in operation.

Directors' responsibilities

The Interim Results Announcement is the responsibility of, and has been approved by, the directors.

As disclosed in note 2, the annual financial statements of the Company are prepared in accordance with UK-adopted international accounting standards.

The directors are responsible for preparing the condensed interim financial statements included in the Interim Results Announcement in accordance with IAS 34 as adopted for use in the UK.

In preparing the condensed interim 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.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed interim financial statements in the Interim Results Announcement based on our review. Our conclusion, including our conclusions relating to going concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion section of this report.

The purpose of our review work and to whom we owe our responsibilities

This report is made solely to the Company in accordance with the terms of our engagement. Our review has been undertaken so that we might state to the Company those matters we are required to state to it in this 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 for our review work, for this report, or for the conclusions we have reached.



Jeremy Williams for and on behalf of KPMG LLP

Chartered Accountants
KPMG LLP | 15 Canada Square | London | E14 5GL
14 February 2025