

**THE LONDON CENTRAL RESIDENTIAL RECOVERY FUND LIMITED
UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
30 SEPTEMBER 2025**

THE LONDON CENTRAL RESIDENTIAL RECOVERY FUND LIMITED

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THE LONDON CENTRAL RESIDENTIAL RECOVERY FUND LIMITED

DIRECTORY

Registered Office

44 Esplanade
St Helier
Jersey, JE4 9WG

Independent Auditor

Grant Thornton Limited
St James Place
St James Street
St Peter Port
Guernsey, GY1 2NZ

Property Manager

London Central Portfolio Limited
LCP House, Ogle Street
London, W1W 6HU

Administrator, Transfer Agent, Registrar and Listing Sponsor

CSC Fund Services (Guernsey) Limited
Plaza House
Third Floor, Elizabeth Avenue
St Peter Port
Guernsey, GY1 2HU

Banker in Guernsey

Butterfield Bank (Guernsey) Limited
Martello Court
Admiral Park
St Peter Port
Guernsey, GY1 3AP

Legal Advisor to the Fund in Jersey

Carey Olsen
47 Esplanade
St Helier
Jersey, JE1 0BD

Investment Support Services

LCP Capital Investments Limited
LCP House, Ogle Street
London, W1W 6HU

Property Lawyers

William Sturges LLP
Burwood House, 14-16 Caxton Street
London, SW1H 0QY

Lawrence Stephens Limited

50 Farringdon Road
London, EC1M 3HE

Independent Valuer

Adelaide Jones & Co. Ltd
116 Seymour Place
London, W1H 1NW

THE LONDON CENTRAL RESIDENTIAL RECOVERY FUND LIMITED

INTERIM REPORT OF THE DIRECTORS

SIX MONTHS ENDED 30 SEPTEMBER 2025

The Directors present their unaudited report and unaudited interim financial statements (the "financial statements" or "interim financial statements") of The London Central Residential Recovery Fund (the "Company") for the period ended 30 September 2025.

Status and activities

The Company is a closed ended limited liability public company which is an Unregulated Exchange Traded Fund and was incorporated in Jersey on 10 March 2009 under the Companies (Jersey) Law 1991 (as amended) with registration number 102781 and admitted to trading on The International Stock Exchange on 22 January 2010. On 17 March 2010, 13,697.50 ordinary shares were issued to shareholders. A further 54,603.55 ordinary shares were issued on 16 April 2010.

Going Concern

During the period the Company made an operating loss of £44,016 (31 March 2025: loss £172,276; 30 September 2024: loss £98,735). The Company's net rental income, access to loan facilities with Butterfield Bank (Guernsey) Limited ("the Bank") and property disposals currently finance the Company's operations. The loan facility was extended for a further 3 months to 30 April 2026. Further details of the loan facility are provided in note 13.

The Company expects to meet its obligations from operating cash flows and upon realisation of investments in the foreseeable future.

As previously reported, the Company has passed the end of the defined 8-year Investment Period detailed in the Private Placement Memorandum dated March 2009 ("PPM"). At each Annual General Meeting ("AGM") since the expiry of the Investment Period, the Directors were required to put forward a Special Resolution ("SR") to initiate a solvent summary winding-up of the Company. At the AGM held on 3 December 2025 the shareholders voted against the resolution to appoint liquidators and therefore the Directors will continue to dispose of the Fund's portfolio as quickly as commercially viable.

The Directors acknowledge that the results of the shareholders vote in the next AGM presents uncertainty over the going concern position. The Board will continue to propose that the shareholders allow the Board to continue the voluntary wind up. Based on the above consideration, the financial statements are prepared on a going concern basis with a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The financial statements do not include adjustments that would result if the Company was unable to continue as a going concern.

Directors' responsibilities

The Directors are responsible for preparing financial statements for each financial year which give a true and fair view of the state of affairs of the Company and the profit and loss of the Company for that period and are in accordance with United Kingdom Accounting Standards including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ("FRS 102") and with applicable laws. In preparing those financial statements the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors confirm that they have complied with the requirements in preparing the unaudited interim financial statements.

THE LONDON CENTRAL RESIDENTIAL RECOVERY FUND LIMITED

INTERIM REPORT OF THE DIRECTORS (continued)

SIX MONTHS ENDED 30 SEPTEMBER 2025

Directors' responsibilities (continued)

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements have been properly prepared in accordance with the Companies (Jersey) Law, 1991 (as amended). They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The results for the period are shown in the Interim Statement of Comprehensive Income on page 8. The Company did not pay a dividend and the Directors do not recommend a dividend for the period.

Directors and their interests

The Directors of the Company who served during the period ended 30 September 2025 and to date are:

Martin Shires

Naomi Claire Helen Heaton

Philip Mudie Bodman

The Directors' interests in the Ordinary Shares of the Company were as follows:

	Period ended 30 September 2025	Year ended 31 March 2025	Period ended 30 September 2024
	Ordinary shares		Ordinary shares
Martin Shires	nil	nil	nil
Naomi Claire Helen Heaton	250	250	250
Philip Mudie Bodman	nil	nil	nil
Denton & Co Trustees Limited	600	600	600

Denton & Co Trustees Limited is a company in which Naomi Heaton has an interest as a Beneficiary and Settlor.

Directors' remuneration

The emoluments of the individual Directors for the period were as follows:

	Period ended 30 September 2025	Year ended 31 March 2025	Period ended 30 September 2024
	£	£	£
Naomi Heaton	nil	nil	nil
Martin Shires	6,250	12,500	6,250
Philip Mudie Bodman	6,250	12,500	6,250

THE LONDON CENTRAL RESIDENTIAL RECOVERY FUND LIMITED

INTERIM REPORT OF THE DIRECTORS (continued)

SIX MONTHS ENDED 30 SEPTEMBER 2025

Directors' remuneration (continued)

During the accounting period, Naomi Heaton was the Non-Executive Chair of London Central Portfolio Limited ("LCP") and LCP Capital Investments Limited ("LCPCI"). LCP was and is engaged by the Company as Property Manager pursuant to provide a range of services under the terms of the Search & Purchase Management Agreement, Letting & Rental Management Agreement and Refurbishment & Furnishing Agreement. With effect from 1 April 2025, LCPCI ceased to charge for its services. It now acts on a pro bono basis (i.e. without charge to the Company) to provide property market advice, financial analysis, reporting to the Company's bankers, general support and investor communication services.

Administration Services

CSC Fund Services (Guernsey) Limited ("CSC") is engaged as Administrator to the Company pursuant to the terms of an Administration Agreement and is part of the CSC Group.

Substantial shareholdings

At 30 September 2025 the issued share capital of the Company was 68,301.05 (31 March 2025: 68,301.05; 30 September 2024: 68,301.05) Ordinary Shares of £0.01 each. At 30 September 2025 the following shareholders had an interest of 3% or more in the issued Ordinary Shares of the Company.

	Number of Ordinary Shares	% of issued Ordinary Share capital
Gateley Custodian and Nominee Services Limited	26,807	39.25

Financial instruments and risk management

Information on the use of financial instruments by the Company and its management of financial risk is disclosed in Note 21 to the financial statements.

APPROVED BY THE BOARD OF DIRECTORS

Martin Shires, Director

Date:

THE LONDON CENTRAL RESIDENTIAL RECOVERY FUND LIMITED

INTERIM INVESTMENT MANAGER'S REPORT SIX MONTHS ENDED 30 SEPTEMBER 2025

Market Update

The Prime Central London (PCL) housing market remains challenging. In the lead-up to the November Budget, buyers adopted a cautious “wait-and-see” approach, which subdued sales activity throughout much of 2025. The amount of unsold stock on the market has risen, leading to a disconnect between supply and demand, and this has put downward pressure on prices. Third-party commentators have scaled back their PCL residential property price forecasts with Savills slashing this year’s outlook from 0.0% to -4.0%, JLL from 2.5% to -5.0% and CBRE from 2.2% to -0.3%, with any recovery now expected to be delayed until 2026 or later. The uncertainty in the lead up to the budget certainly has not been helpful with the divestment efforts and we have seen transaction volumes remain muted in comparison to pre-2008 levels.

Fund Update

As outlined in the Fund’s Private Placement Memorandum (“PPM”), the Directors are required to put forward a Special Resolution to initiate a formal ‘summary’ winding-up of the Fund to Shareholders at each Annual General Meeting (“AGM”) following the expiry of its Investment Period^[1], which occurred in 2018. Ahead of the December 2025 AGM, the Directors recommended that Shareholders vote against this Special Resolution due to the unfavourable restrictions a voluntary wind-up would impose on the Fund having to trade ‘in liquidation’ and not being able to extend or renew financing with the Bank. The Shareholders voted against the Special Resolution supported by 96.36% of votes cast, and also voted unanimously in favour of the two Ordinary Resolutions relating to the operational aspects of the Fund; to receive and consider the financial statements as at 31 March 2025 and to re-appoint Grant Thornton as the external auditors for the 31 March 2026 financial statements.

The Board received the mandate at the 2022 AGM to realise the assets in the Fund's portfolio at commercially viable levels, and substantial progress has been achieved. Of the 27 properties available:

- 19 properties have been successfully sold.
- 2 properties are presently under offer.
- 6 properties are currently listed on the market for sale.

Assuming the successful completion of the under-offer sales, the Fund will have divested 78% of its portfolio by value. Thus far, the divested properties track at -2.4% below book value before direct costs.

As the Fund is well advanced in its divestment phase, the lender has not requested for external valuations. In determining the fair value of the remaining portfolio, the portfolio has been revalued by LCP with guidance provided by the Board taking into account completed sales over the previous 12 months, properties currently under offer, movements in PCL pricing from Bricks & Logic over the past 36 months and achievable values estimated by local estate agents

The latest estimated net asset value per share (“NAV”) of the Fund at 30 September 2025 is £18.97, down from £38.99 at 31 March 2025. The movement in the NAV is attributed to high operational expenses, driven by prior base rate increases and periodic rental income losses incurred during property marketing efforts aimed at advancing divestment. Financing expenses are expected to decrease as the bank facility is reduced through completed sales. The Fund’s primary focus remains the repayment of the financing facility balance.

THE LONDON CENTRAL RESIDENTIAL RECOVERY FUND LIMITED

INTERIM INVESTMENT MANAGER'S REPORT (continued)

SIX MONTHS ENDED 30 SEPTEMBER 2025

Summary

The Fund has continued to make progress in the divestment of the portfolio. While projections are subject to a wide array of assumptions, some of which may not materialise, market commentators predict a subdued period in the PCL over the next 5 years. The Board does not believe that it is the best interests of shareholders to delay property sales in the hope of more favourable market conditions. The Board will therefore continue to actively market the remaining properties in order to fulfil its mandate to realise the portfolio notwithstanding that there has been a general lack of demand and prices have weakened in the PCL market. The immediate aim of the Board is to reduce the indebtedness of the Company. There have been material adverse effects on the returns from the Company's investments being geared into a falling market. This has had the unfortunate effect of accelerating financial losses.

¹ Extract from PPM

Dissolution of the Company at the end of the Investment Period

At the end of the Investment Period, a special resolution to wind-up the Company will be put to the Shareholders at the annual general meeting of the Company. In the event that this resolution is passed by the Shareholders then the assets of the Company will be disposed of in an orderly fashion. The monies received after paying for any selling agent's fees on disposal or other associated costs, will be used to initially reduce the loan facility with Fortis Bank (C.I.) Limited such that the original loan on each property is paid off.

The balance of the funds, unless it is the view of the Directors that some monies should be held in reserve for future costs, expenses and fees will be distributed proportionately to each Shareholders shareholding on the last Business Day of April, June, September and December. This distribution will continue until all the properties in the portfolio have been disposed of, once all outstanding costs, fees and expenses are paid. The Directors will decide whether any retention shall be made following the winding-up of the Company on advice of the Auditors. If the Shareholders do not resolve to wind-up the Company at the end of the Investment Period, the special resolution will be put to Shareholders at each subsequent general meeting until the Company is wound-up. If it is anticipated that the performance benchmark objective of the Company shall have been achieved earlier than 8 years, or if it is expedient due to other reasons.

THE LONDON CENTRAL RESIDENTIAL RECOVERY FUND LIMITED

UNAUDITED INTERIM STATEMENT OF COMPREHENSIVE INCOME SIX MONTHS ENDED 30 SEPTEMBER 2025

		(Unaudited) Six months ended 30 September 2025 £	(Audited) Year ended 31 March 2025 £	(Unaudited) Six months ended 30 September 2024 £
REVENUE				
Rental income		87,975	169,583	71,665
Sundry income		-	-	21
Gross profit		87,975	169,583	71,686
Administrative expenses	9	(61,463)	(201,940)	(99,360)
Property expenses	10	(70,528)	(139,919)	(71,061)
		(131,991)	(341,859)	(170,421)
OPERATING LOSS		(44,016)	(172,276)	(98,735)
(Loss)/gain on disposal of investment property		(48,738)	(413,200)	115
Fair value loss on investment properties	11	(1,319,100)	(46,537)	-
Interest income/expense	13	44,465	(410,358)	(209,082)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD/YEAR		(1,367,389)	(1,042,371)	(307,702)
Earnings per share (pounds per share)	17	(20.02)	(15.26)	(4.51)

The Company has no other comprehensive income or losses other than that shown above and therefore no additional disclosure has been made in respect of other comprehensive income or losses.

The results are all derived from continuing operations.

The notes on pages 12 to 26 form an integral part of these financial statements.

THE LONDON CENTRAL RESIDENTIAL RECOVERY FUND LIMITED

UNAUDITED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2025

	Notes	(Unaudited)		(Audited)		(Unaudited)	
		30 September 2025	30 September 2025	31 March 2025	31 March 2025	30 September 2024	30 September 2024
		£	£	£	£	£	£
FIXED ASSETS							
Investment properties	11		5,581,700		7,873,905		8,933,105
			<u>5,581,700</u>		<u>7,873,905</u>		<u>8,933,105</u>
CURRENT ASSETS							
Debtors and prepayments	12	36,132		44,865		40,079	
Cash and cash equivalents		<u>78,750</u>		<u>78,750</u>		<u>78,750</u>	
		114,882		123,615		118,829	
CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR							
Other creditors and accruals	14	1,113,996		1,318,332		1,247,528	
Loan payable	13	<u>3,287,017</u>		<u>4,016,230</u>		<u>4,406,779</u>	
		4,401,013		5,334,562		5,654,307	
NET CURRENT LIABILITIES			<u>(4,286,131)</u>		<u>(5,210,947)</u>		<u>(5,535,478)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			1,295,569		2,662,958		3,397,627
NET ASSETS			<u>1,295,569</u>		<u>2,662,958</u>		<u>3,397,627</u>
CAPITAL AND RESERVES							
Share capital	15		685		685		685
Share premium	16		6,265,737		6,265,737		6,265,737
Accumulated loss			<u>(4,970,853)</u>		<u>(3,603,464)</u>		<u>(2,868,795)</u>
SHAREHOLDERS' FUNDS			<u>1,295,569</u>		<u>2,662,958</u>		<u>3,397,627</u>
Net asset value per share (pounds per share)	18		18.97		38.99		49.74

The unaudited interim financial information was approved and authorised for issue by the board on the by:

and signed on its behalf

.....
Martin Shires, Director

The notes on pages 12 to 26 form an integral part of these financial statements.

THE LONDON CENTRAL RESIDENTIAL RECOVERY FUND LIMITED

UNAUDITED INTERIM STATEMENT OF CHANGES IN EQUITY SIX MONTHS ENDED 30 SEPTEMBER 2025 (unaudited)

	Share Capital £	Share Premium £	Accumulated Loss £	Total £
Balance as at 1 April 2024	685	6,265,737	(2,561,093)	3,705,329
Loss for the period	-	-	(307,702)	(307,702)
Balance as at 30 September 2024	685	6,265,737	(2,868,795)	3,397,627
Balance as at 1 April 2024	685	6,265,737	(2,561,093)	3,705,329
Loss for the year	-	-	(1,042,371)	(1,042,371)
Balance as at 31 March 2025	685	6,265,737	(3,603,464)	2,662,958
Loss for the period	-	-	(1,367,389)	(1,367,389)
Balance as at 30 September 2025	685	6,265,737	(4,970,853)	1,295,569

The notes on pages 12 to 26 form an integral part of these financial statements.

THE LONDON CENTRAL RESIDENTIAL RECOVERY FUND LIMITED

UNAUDITED INTERIM STATEMENT OF CASH FLOWS SIX MONTHS ENDED 30 SEPTEMBER 2025

	Notes	(Unaudited) Six months ended 30 September 2025 £	(Audited) Year ended 31 March 2025 £	(Unaudited) Six months ended 30 September 2024 £
Operating activities				
Operating loss for the period/year		(44,016)	(172,276)	(98,735)
Decrease in debtors and prepayments		8,733	194	4,980
(Decrease)/increase in other creditors and accruals		(204,336)	141,262	70,458
Interest received/(paid)	13	44,465	(410,358)	(209,082)
Net cash used in operating activities		(195,154)	(441,178)	(232,379)
Cash flows from investing activities				
Sale of investment properties		924,367	599,463	115
Net cash generated from investing activities		924,367	599,463	115
Cash flows from financing activities				
Loans (repaid)/received		(729,213)	(158,285)	232,264
Net cash (used in)/generated in financing activities		(729,213)	(158,285)	232,264
Net cash inflow/(outflow) for the period/year		-	-	-
Cash and cash equivalents at beginning of period/year		78,750	78,750	78,750
Cash and cash equivalents at end of period/year		78,750	78,750	78,750

The notes on pages 12 to 26 form an integral part of these financial statements.

THE LONDON CENTRAL RESIDENTIAL RECOVERY FUND LIMITED

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

SIX MONTHS ENDED 30 SEPTEMBER 2025

1. COMPANY INFORMATION

The London Central Residential Recovery Fund Limited (the "Company") is a closed ended limited liability public company which is an Unregulated Exchange Traded Fund and was incorporated in Jersey on 10 March 2009 under the Companies (Jersey) Law 1991 (as amended) and admitted to trading on The International Stock Exchange on 22 January 2010.

The Company's objective is to deliver a consistently good market performance from an individually selected and diversified portfolio of prime residential property in Central London and to optimise the total return through a combination of rental yield and capital appreciation.

2. STATEMENT OF COMPLIANCE

The unaudited interim financial statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ("FRS 102").

3. BASIS OF PREPARATION

These financial statements have been prepared in accordance with FRS102, and with the Companies (Jersey) Law 1991 (as amended). The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis for investment properties as specified in the accounting policies below.

The Company's functional and presentation currency is Sterling ("£").

4. GOING CONCERN

During the period the Company made an operating loss of £1,367,389 (31 March 2025: loss £172,276; 30 September 2024: loss £98,735). The Company's net rental income, access to loan facilities with Butterfield Bank (Guernsey) Limited ("the Bank") and property disposals currently finance the Company's operations. The loan facility was extended for a further 3 months to 30 April 2026. Further details of the loan facility are provided in note 13.

The Company expects to meet its obligations from operating cash flows and upon realisation of investments in the foreseeable future.

As previously reported, the Company has passed the end of the defined 8-year Investment Period detailed in the Private Placement Memorandum dated March 2009 ("PPM"). At each Annual General Meeting ("AGM") since the expiry of the Investment Period, the Directors were required to put forward a Special Resolution ("SR") to initiate a solvent summary winding-up of the Company. At the AGM held on 3 December 2025 the shareholders voted against the resolution to appoint liquidators and therefore the Directors will continue to dispose of the Fund's portfolio as quickly as commercially viable.

The Directors acknowledge that the results of the shareholders vote in the next AGM presents uncertainty over the going concern position. The Board will continue to propose that the shareholders allow the Board to continue the voluntary wind up. Based on the above consideration, the financial statements are prepared on a going concern basis with a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The financial statements do not include adjustments that would result if the Company was unable to continue as a going concern.

THE LONDON CENTRAL RESIDENTIAL RECOVERY FUND LIMITED

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS (continued)

SIX MONTHS ENDED 30 SEPTEMBER 2025

5. SIGNIFICANT JUDGEMENTS AND ESTIMATES

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgments and estimates have been made include:

Fair value of investment properties

Accounting estimates included in the financial statements reflect management's judgements based on their knowledge and experience about past and current events and are also based on their assumptions about actions they expect to take. Significant assumptions used by management in making accounting estimates, including those measured at fair value, are reasonable. The methods and significant assumptions used result in a measure of fair value appropriate for financial statement measurement and disclosure purposes.

The portfolio was revalued by LCP with guidance provided by the Board taking into account completed sales over the previous 12 months, properties currently under offer, movements in PCL pricing from Bricks & Logic over the previous 36 months and achievable values estimated by local estate agents.

Sales will be realised in an organised manner, either as a whole or individually, whichever achieves the highest amount. Given the assumption that the properties would be sold as a whole, or individually, the valuers have not considered it appropriate to adjust the overall value for the block discount in the event that the portfolio was sold as a whole. Equally, the valuers have ascribed no additional value to the possibility that there may be a premium achievable on the sale of the entire portfolio.

It has been assumed that where tenanted, properties will be disposed of in a condition suitable for marketing with the tenant having complied with repairing and dilapidations covenants.

The Market Value is the estimated amount for which an asset or liability should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing.

6. ACCOUNTING POLICIES

6. (a) INVESTMENT PROPERTY

Initial recognition:

Investment property is property held by the Company to earn rentals, rather than for:

- i. Use in the production or supply of goods or services or for administrative purposes; or
- ii. Sale in the ordinary course of business.

At initial recognition, investment property is measured at its cost. The cost of a purchased investment property comprises its purchase price and any directly attributable expenditure such as legal and brokerage fees, property transfer taxes and other transaction costs.

Derecognition of investment property:

A property is transferred from investment property only when the property ceases to meet the definition of investment property.

In accordance with FRS102, Section 16, Measurement After Recognition, investment property whose fair value can be measured reliably without undue cost or effort shall be measured at fair value at each reporting date.

THE LONDON CENTRAL RESIDENTIAL RECOVERY FUND LIMITED

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS (continued)

SIX MONTHS ENDED 30 SEPTEMBER 2025

6. ACCOUNTING POLICIES (continued)

6. (b) OPERATING LEASE

Operating leases relate to the investment properties owned by the Company with lease terms of between 1 to 3 years, with an option to extend as may be agreed. All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period.

6. (c) RENTAL INCOME

All properties are rented out under operating leases with rental income being accounted for on a straight line basis over the term of the lease.

6. (d) EXPENSES

Expenses are accounted for on an accrual basis.

6. (e) FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised on the Company's Interim Statement of Financial Position when the Company becomes a party to the contractual provisions of the instruments. The Company shall off-set financial assets and financial liabilities if the Company has a legally enforceable right to off-set the recognised amounts and interest and intends to settle on a net basis.

Financial Assets

The Company's financial assets fall into the categories discussed below, with the allocation depending to an extent on the purpose for which the asset was acquired. The Company classifies its financial assets as basic and non-basic. Unless otherwise indicated, the carrying amounts of the Company's financial assets are a reasonable approximation of their fair values.

Debtors

These assets are non-derivative basic financial assets with fixed or determinable payments that are not quoted in an active market. These arise principally through cash and cash equivalents, but also incorporate other types of contractual monetary assets. They are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition on issue and subsequently carried at amortised cost using the effective interest rate method, less provision for impairment. The effect of discounting on these financial statements is not considered to be material.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Company will be unable to collect all of the amounts due. The amount of such a provision being the difference between the net carrying amount and present value of the future expected cash flows associated with the impaired receivable.

Cash and cash equivalents are carried at cost and consist of cash in hand and short-term deposits in banks with maturity of three months or less from date of acquisition.

THE LONDON CENTRAL RESIDENTIAL RECOVERY FUND LIMITED

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS (continued)

SIX MONTHS ENDED 30 SEPTEMBER 2025

6. (e) FINANCIAL INSTRUMENTS (continued)

De-recognition of financial assets

A financial asset (in whole or in part) is derecognised either:

- when the Company has transferred substantially all the risk and rewards of ownership; or
- when it has transferred nor retained substantially all the risk and rewards and when it no longer has control over the asset or a portion of the asset; or
- when the contractual right to receive cash flow has expired or settled.

Any gain or loss on de-recognition is taken to the Interim Statement of Comprehensive Income.

Financial Liabilities

The Company's financial liabilities comprise other creditors and accruals and loans payable which are classified as financial liabilities measured at amortised cost. Unless otherwise indicated, the carrying amounts of the Company's financial liabilities are a reasonable approximation of their fair values.

Financial liabilities measured at amortised cost

Other creditors and accruals and loans payable are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

De-recognition of financial liabilities

A financial liability (in whole or in part) is derecognised when the Company has extinguished its contractual obligations, it expires or is cancelled. Any gain or loss on de-recognition is taken to the Interim Statement of Comprehensive Income.

Share capital

Financial instruments issued by the Company are treated as equity if they represent the residual interest in the net assets of the Company. The Company's Ordinary Shares are classified as equity instruments. The Company is not subject to any externally imposed capital requirement.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset or liability and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction cost and other premiums or discounts) through the expected life of the financial asset or liability, or, where appropriate, a shorter period.

7. REVENUE AND OPERATING PROFIT

Revenue and operating loss/profit derive wholly from continuing activities.

THE LONDON CENTRAL RESIDENTIAL RECOVERY FUND LIMITED

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS (continued)

SIX MONTHS ENDED 30 SEPTEMBER 2025

8. TAXATION

Guernsey Tax

The Company resides in Jersey but is tax resident in Guernsey by virtue of management and control taking place in Guernsey. The Company has elected to pay an annual exempt company fee in Guernsey which is £1,200 per year and from 2024 has increased to £1,600 per year.

UK Tax on rental income

The rate of UK Corporation tax is 25% with effect from 1 April 2023.

Annual Tax on Enveloped Dwellings ("ATED")

ATED was introduced with effect from 1 April 2013 such that non-UK companies holding UK residential property may be subject to an annual charge based on the value of each single dwelling interest. However, relief from ATED applies where properties are let at arm's length commercial terms and this is the case in respect of this Company. The Company files annual Relief Declaration Returns to claim the relief.

UK Capital Gains Tax (CGT)

With effect from 6 April 2015 the UK Capital Gains Tax ("CGT") regime was extended to non-resident companies on certain UK property disposals. Relief from CGT applied for diversely held companies up to 5 April 2019 when the regime was again extended. With effect from 6 April 2019 the CGT regime was extended to include Collective Investments Vehicles ("CIV") unless it met certain requirements and made an exemption election. The Fund has made an exemption election such that no CGT or Corporation Tax ("CT") are chargeable on the disposal of UK property.

In order to maintain its exempt status the Company is required to send an annual report to HMRC detailing share disposals in the Fund during the reporting period. Investors should seek their own tax advice when making disposals of their shareholdings in the Fund.

Inheritance Tax ("IHT")

With effect from 6 April 2017, the UK government introduced an extension to the scope of IHT for non-UK domiciled individuals to include all UK residential property, whether or not it is held through a company or directly by a non-UK domiciled individual. This measure does not apply to widely held companies and therefore should not impact the Company. Investors should seek their own tax advice when considering their domicile position and exposure to IHT.

9. ADMINISTRATIVE EXPENSES

	(Unaudited)	(Audited)	(Unaudited)
	Six months ended	Year ended	Six months ended
	30 September 2025	31 March 2025	30 September 2024
	£	£	£
Administration fees (Note 19)	19,250	38,500	18,750
Directors' fee	12,500	25,000	12,500
Audit fees	10,542	20,750	10,375
Legal and professional fees	8,942	107,467	52,710
Insurance	5,079	10,035	5,025
Sundry expenses	5,150	188	-
	<u>61,463</u>	<u>201,940</u>	<u>99,360</u>

THE LONDON CENTRAL RESIDENTIAL RECOVERY FUND LIMITED

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS (continued)

SIX MONTHS ENDED 30 SEPTEMBER 2025

10. PROPERTY EXPENSES

	(Unaudited) Six months ended 30 September 2025 £	(Audited) Year ended 31 March 2025 £	(Unaudited) Six months ended 30 September 2024 £
Rates and insurance	-	7,856	212
Repairs and maintenance	27,527	65,826	37,640
Property management fees (Note 19)	16,638	37,378	16,068
Cleaning and service charges	26,363	28,859	17,141
	<u>70,528</u>	<u>139,919</u>	<u>71,061</u>

11. INVESTMENT PROPERTIES

	Freehold investment properties £	Leasehold investment properties £	Total £
Opening balance 1 April 2025	1,200,800	6,673,105	7,873,905
Sale of properties	-	(973,105)	(973,105)
Revaluation	(48,093)	(1,271,007)	(1,319,100)
Closing balance 30 September 2025	<u>1,152,707</u>	<u>4,428,993</u>	<u>5,581,700</u>

	Freehold investment properties £	Leasehold investment properties £	Total £
Opening balance 1 April 2024	1,910,000	7,023,105	8,933,105
Sale of properties	(646,000)	-	(646,000)
Revaluation	(63,200)	(350,000)	(413,200)
Closing balance 31 March 2025	<u>1,200,800</u>	<u>6,673,105</u>	<u>7,873,905</u>

	Freehold investment properties £	Leasehold investment properties £	Total £
Opening balance 1 April 2024	4,952,913	3,980,192	8,933,105
Closing balance 30 September 2024	<u>4,952,913</u>	<u>3,980,192</u>	<u>8,933,105</u>

THE LONDON CENTRAL RESIDENTIAL RECOVERY FUND LIMITED

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS (continued)

SIX MONTHS ENDED 30 SEPTEMBER 2025

11. INVESTMENT PROPERTIES (continued)

At 30 September 2025 there was a legal charge registered over the Group's investment properties as security for the Group's bank finance (see note 13). The portfolio has been revalued by LCP with guidance provided by the Board taking into account completed sales over the previous 12 months, properties currently under offer, movements in PCL pricing from Bricks & Logic over the past 36 months and achievable values estimated by local estate agents (see note 5). Leasehold investment properties comprise 6 leasehold properties, all with remaining terms in excess of 20 years. The 1 remaining property is a long leasehold where the Group also holds a share in the freehold owning company, and accordingly this has been classed by the Directors as freehold. The combined historical cost of the properties is £4,796,791 (31 March 2025: £5,769,896; 30 September 2024: £6,415,896).

12. DEBTORS AND PREPAYMENTS

	(Unaudited) 30 September 2025	(Audited) 31 March 2025	(Unaudited) 30 September 2024
	£	£	£
Prepayments	4,699	11,528	5,560
Rent receivable from Property Manager	11,411	10,588	10,212
Cash floats held by Property Manager *	7,522	10,249	11,807
Service charge deposits	12,500	12,500	12,500
	<u>36,132</u>	<u>44,865</u>	<u>40,079</u>

*This represents cash retained by the Property Manager to cover sundry costs for each property as they arise. In addition to these cash balances the Property Manager holds in escrow as at 30 September 2025, tenant rent deposits amounting to £31,087 (31 March 2025: £28,991; September 2024: £28,577). These deposits are held as security for the tenants' performance under the tenancy agreements and have not been included in these financial statements as the Company has no right to these funds unless and until there is any default by any tenant under their tenancy agreement. There have been no defaults during the period (31 March 2025; nil: 30 September 2024: nil).

13. LOANS PAYABLE

	(Unaudited) 30 September 2025	(Audited) 31 March 2025	(Unaudited) 30 September 2024
	£	£	£
Butterfield Bank (Guernsey) Limited	<u>3,287,017</u>	<u>4,016,230</u>	<u>4,406,778</u>

Existing loan facilities (detailed below) from Butterfield Bank (Guernsey) Limited (the "Bank") were extended under a facility letter dated 31 July 2025. The current facility offered by the Bank to the Company is a maximum loan amount of £4,111.033 (exclusive of fees) for a period of 3 months. The facility is secured by a first charge over the Company's property portfolio.

The above facility replaces the loan facility dated 12 March 2009 for the loan amount of £12,600,000, the loan facility dated 11 August 2014 for the loan amount of £4,500,000, loan facility dated 7 July 2016 for the loan amount of £4,600,000 and loan facility dated 21 January 2019 for the loan amount of £20,366,000 and subsequent facility amendments dated 28 April 2020, 29 June 2020, 7 December 2021, 14 November 2023, 2 July 2024, 11 September 2025 and 29 January 2026 all of which were extended to 30 April 2026.

Interest for the current period was £44,465 (31 March 2025: expense £410,358; 30 September 2024: expense £209,082).

THE LONDON CENTRAL RESIDENTIAL RECOVERY FUND LIMITED

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS (continued)

SIX MONTHS ENDED 30 SEPTEMBER 2025

14. OTHER CREDITORS AND ACCRUALS

	(Unaudited) 30 September 2025	(Audited) 31 March 2025	(Unaudited) 30 September 2024
	£	£	£
Provision for Audit fees	10,431	20,750	10,375
Administration fees (Note 19)	9,375	9,375	28,125
Other creditors	14,087	8,225	7,162
Legal and professional fees	454,505	465,141	409,344
Deferred income	7,883	7,303	8,782
Loan (Note 19)	30,000	30,000	30,000
Interest on loan from LCP	-	5,758	4,603
Refurbishment 3 Spring Street	587,715	771,780	749,137
	<u>1,113,996</u>	<u>1,318,332</u>	<u>1,247,528</u>

15. SHARE CAPITAL

	(Unaudited) 30 September 2025	(Audited) 31 March 2025	(Unaudited) 30 September 2024
	£	£	£
Authorised			
4,990,000 Ordinary Shares of £0.01 each	49,900	49,900	49,900
100 Founder Shares of £1 each	100	100	100
	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>
Issued and fully paid			
68,301.05 Ordinary Shares of £0.01 each	683	683	683
2 Founder Shares of £1 each	2	2	2
	<u>685</u>	<u>685</u>	<u>685</u>

Founder Shares

Holders of Founder Shares are not entitled to any dividends and do not have the right to receive notice of, attend, speak and vote at general meetings unless and until no Ordinary Shares are in issue. The Founder Shares may not be redeemed by the Company.

Ordinary Shares

Holders of Ordinary Shares are entitled pari-passu to such dividends as the Directors may in their absolute discretion lawfully determine and declare and have the right to receive notice of, attend, speak and vote at general meetings of the Company. Subject to the provisions of the Companies (Jersey) Law, 1991 (as amended) and the Company's Memorandum and Articles of Association, holders of Ordinary Shares may be redeemed by the Company. The Ordinary Shares may not be redeemed at the option of the holder.

THE LONDON CENTRAL RESIDENTIAL RECOVERY FUND LIMITED

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS (continued)

SIX MONTHS ENDED 30 SEPTEMBER 2025

16. SHARE PREMIUM

	(Unaudited) 30 September 2025	(Audited) 31 March 2025	(Unaudited) 30 September 2024
	£	£	£
68,301.05 Ordinary Shares issued at a premium of £99.99 each	6,829,422	6,829,422	6,829,422
Less: Introducers commission and share issue costs	(563,685)	(563,685)	(563,685)
As at the reporting date	<u>6,265,737</u>	<u>6,265,737</u>	<u>6,265,737</u>

17. LOSS PER SHARE

The calculation of earnings per share is based on the loss for the period of £1,367,389 (31 March 2025: £1,042,371 loss; 30 September 2024: £307,702 loss) divided by the weighted average number of Ordinary Shares in issue during the period of 68,301.05 (31 March 2025: 68,301.05; 30 September 2024: 68,301.05).

18. NET ASSET VALUE PER SHARE

The calculation of net asset value per share is based on the net assets of £1,295,569 (31 March 2025: £2,662,958; 30 September 2024: £3,397,627) and on the Ordinary Shares in issue of 68,301.05 (31 March 2025: 68,301.05; 30 September 2024: 68,301.05) at the Statement of Financial Position date.

19. RELATED PARTY TRANSACTIONS

CSC Fund Services (Guernsey) Limited ("CSC") is engaged by the Company as administrator pursuant to an Administration Agreement. The Agreement provides that CSC will receive an annual fixed fee of £37,500 per annum, with respect to administration services, along with an additional fee of £1,500 per property acquisition/disposal. The administrator will also charge an annual fixed fee of £1,000 per annum to act as Sponsor for The International Stock Exchange. A total of £19,250 (31 March 2025: £38,500; 30 September 2024: £18,750) has been included in these accounts in respect of fees charged in accordance with this Agreement and £9,375 (31 March 2025: £9,375; 30 September 2024: £28,125) was outstanding at the Interim Statement of Financial Position date.

During the year Martin Shires and Philip Bodman provided Director services to the Company resulting in the Company paying £12,500 (31 March 2025: £25,000; 30 September 2024: £12,500) of which £nil (31 March 2025: £6,250; 30 September 2024: £nil) was outstanding at the Unaudited Interim Statement of Financial position date.

The Company has appointed LCP Capital Investments Limited ("LCPCI") to provide a range of investment support services and London Central Portfolio Limited ("LCP") as the Property Manager. During the period, Naomi Heaton was the Non-Executive Chair of LCPCI and LCP. A brief summary of the relevant contracts are as follows. All fees are subject to UK VAT.

LCP made an interest free loan of £30,000 to the Company on 28 September 2022.

Performance fees

The Performance Benchmark Objective is 15% IRR (i.e. 15% per annum compound growth on the investors' initial subscription). This takes into account all up-front fees, establishment and purchase costs, but is net of disposal expenditure.

THE LONDON CENTRAL RESIDENTIAL RECOVERY FUND LIMITED

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS (continued)

SIX MONTHS ENDED 30 SEPTEMBER 2025

19. RELATED PARTY TRANSACTIONS (continued)

Performance fees (continued)

In the event that the Performance Benchmark Objective is achieved at the end of the Investment Period, LCP will be awarded a performance fee up to a ceiling of 25% of the Company's profits, subject to the investors receiving a profit in the first instance equivalent to the Performance Benchmark Objective.

No provision has been made in these accounts, in respect of the performance fee as the Directors do not consider that the Performance Benchmark Objective will be achieved.

Property Search and Acquisition

The Company is in a divestment phase as the Board has been mandated to sell the property portfolio. Previously, LCP received an acquisition fee of 2% of the price paid for each property acquired by the Company. During the period, no property acquisition fees were incurred (31 March 2025: £nil; 30 September 2024: £nil).

During the period no property acquisition fees were incurred, (31 March 2025: £nil; 30 September 2024: £nil).

Investment Support Services

LCPCI no longer receives fees for the provision of investment support services to the Board of the Company. It now provides its services on a pro bono basis. Until 31 March 2025, it received a fee of £12,500 per annum for the provision of investment advice and related services with £59,375 (31 March 2025: £59,375; 30 September 2024: £53,125) outstanding at the Unaudited Interim Statement of Financial position date.

Property Refurbishment and Furnishing

LCP receives a fee of 10% of the refurbishment expenditure in respect of design specification and sourcing of contractor together and a fee of 15% of the furnishing and refurbishment expenditure for the project management of the works and interior design.

During the period property refurbishment and furnishing expenditure amounted to £nil (31 March 2025: £nil; 30 September 2024: £nil) (inclusive of VAT) with £587,715 (31 March 2025: £771,780; 30 September 2024: £749,137) outstanding at the Unaudited Interim Statement of Financial position date.

Property Management

LCP receives a fee of 15% of gross rent received for each property. LCP also receives sundry additional fees for administration services on a 10% of cost basis. £16,638 (inclusive of VAT) (31 March 2025: £37,378; 30 September 2024: £16,068) has been included in these accounts in relation to these fees. LCP also receives annual fees in relation to ongoing running costs of the fund. During the period £37,500 (inclusive of VAT) (31 March 2025: £75,000; 30 September 2024: £37,500) was charged in relation to these fees with £392,969 (31 March 2025: £392,969; 30 September 2024: £355,469) outstanding at the Interim Statement of Financial position date. A more detailed summary of these contracts is included in the Company's Prospectus.

THE LONDON CENTRAL RESIDENTIAL RECOVERY FUND LIMITED

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS (continued)

SIX MONTHS ENDED 30 SEPTEMBER 2025

20. CONTROLLING PARTY

The issued share capital of the Company is owned by numerous parties and, therefore, to the best knowledge of the Directors, there is no ultimate controlling party of the Company as defined by FRS102.

21. FINANCIAL RISK MANAGEMENT

The Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

Categories of financial instruments and fair values

The following table details the categories of financial assets and financial liabilities held by the Company at the reporting date:

	(Unaudited) 30 September 2025	(Audited) 31 March 2025	(Unaudited) 30 September 2024
	£	£	£
Cash and receivables			
Cash and cash equivalents	78,750	78,750	78,750
Debtors	31,433	33,337	34,519
	<u>110,183</u>	<u>112,087</u>	<u>113,269</u>
Financial liabilities at amortised cost			
Creditors and accruals (excluding deferred income)	1,106,113	1,311,029	1,238,746
Loans payable	3,287,017	4,016,230	4,406,779
	<u>4,393,130</u>	<u>5,327,259</u>	<u>5,645,525</u>

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Whilst the Company's principal market risk is exposure to London residential property prices, market risk comprises of three types of risk: market prices (price risk), foreign exchange (currency risk) and market interest rates (interest rate risk).

The Company operates in the UK and its investments are denominated in pounds sterling therefore the Directors are satisfied that the Company's exposure to foreign exchange risk is relatively low.

The Company is exposed to interest rate risk however it is not exposed to price risk as all of its investments are in non-financial assets. The Company's interest bearing financial assets and liabilities expose it to risk associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The table below summarises the Company's exposure to interest rate risks.

THE LONDON CENTRAL RESIDENTIAL RECOVERY FUND LIMITED

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS (continued)

SIX MONTHS ENDED 30 SEPTEMBER 2025

21. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

As at 30 September 2025	Non-Interest Bearing	Variable Interest	Fixed Interest	Total
	£	£	£	£
Assets				
Cash and cash equivalents	78,750	-	-	78,750
Debtors	31,433	-	-	31,433
Total financial assets	110,183	-	-	110,183

Liabilities

Loan payable	-	3,287,017	-	3,287,017
Creditors and accruals (excluding deferred income)	1,106,113	-	-	1,106,113
Total financial liabilities	1,106,113	3,287,017	-	4,393,130

As at 31 March 2025	Non-Interest Bearing	Variable Interest	Fixed Interest	Total
	£	£	£	£
Assets				
Cash and cash equivalents	78,750	-	-	78,750
Debtors	33,337	-	-	33,337
Total financial assets	112,087	-	-	112,087

Liabilities

Loan payable	-	4,016,230	-	4,016,230
Other creditors and accruals (excluding deferred income)	1,311,029	-	-	1,311,029
Total financial liabilities	1,311,029	4,016,230	-	5,327,259

As at 30 September 2024	Non-Interest Bearing	Variable Interest	Fixed Interest	Total
	£	£	£	£
Assets				
Cash and cash equivalents	78,750	-	-	78,750
Debtors	34,519	-	-	34,519
Total financial assets	113,269	-	-	113,269

	Non-Interest Bearing	Variable Interest	Fixed Interest	Total
	£	£	£	£
Liabilities				
Loan payable	-	4,406,779	-	4,406,779
Other creditors and accruals (excluding deferred income)	1,238,746	-	-	1,238,746
Total financial liabilities	1,238,746	4,406,779	-	5,645,525

THE LONDON CENTRAL RESIDENTIAL RECOVERY FUND LIMITED

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS (continued)

SIX MONTHS ENDED 30 SEPTEMBER 2025

21. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

Total interest expense on financial liabilities not at fair value through profit and loss.

	(Unaudited) 30 September 2025	(Audited) 31 March 2025	(Unaudited) 30 September 2024
	£	£	£
Loan interest paid	(44,465)	410,358	209,082
	<u>(44,465)</u>	<u>410,358</u>	<u>209,082</u>

The above finance cost arises on financial liabilities measured at amortised cost using the effective interest rate method.

For the Company, an increase in 100 basis points in interest rates, with all other variables remaining constant, would result in a loss of £32,083 (31 March 2025: loss of £39,375; 30 September 2024: loss of £43,280). A decrease in 100 basis points in interest rates, with all other variables remaining constant, would have an equal but opposite effect.

(b) Liquidity risk

The sensitivity analysis above is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated - for example, change in interest rate and change in market values.

Prudent liquidity risk management implies maintaining sufficient cash and other liquid assets and ensuring the availability of funding through an adequate amount of committed credit facilities.

The Company's current policy concerning the payment of creditors is to:

- (a) agree the terms of payment with those suppliers when negotiating the terms of each transaction;
- (b) ensure that those suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- (c) pay in accordance with the Company's contractual and other legal obligations.

As at 30 September 2025	Less than 3 month £	3 months to 1 year £	1 year to 5 years £
Loan payable	68,875	3,309,975	-
Creditors and accruals (excluding deferred income)	1,106,113	-	-
Total	<u>1,174,988</u>	<u>3,309,975</u>	<u>-</u>

THE LONDON CENTRAL RESIDENTIAL RECOVERY FUND LIMITED

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS (continued)

SIX MONTHS ENDED 30 SEPTEMBER 2025

21. FINANCIAL RISK MANAGEMENT (continued)

(b) Liquidity risk (continued)

	Less than 3 month £	3 months to 1 year £	1 year to 5 years £
As at 31 March 2025			
Loan payable	84,738	4,213,952	-
Creditors and accruals (excluding deferred income)	1,311,029	-	-
Total	1,395,767	4,213,952	-
	Less than 3 month £	3 months to 1 year £	1 year to 5 years £
As at 30 September 2024			
Loan payable	90,108	4,526,924	-
Creditors and accruals (excluding deferred income)	1,238,746	-	-
Total	1,328,854	4,526,924	-

As at the Statement of Financial Position date, the Company had undrawn committed borrowings available of £46,342 (31 March 2025: £150,747; 30 September 2024: £296,933).

The Board of Directors manages the risk of breaches in debt covenants by regularly reviewing the level of debt in conjunction with property values. The review is carried out on a quarterly basis.

(c) Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment entered into with the Company. The carrying amounts of financial assets best represents the maximum credit risk exposure at the statement of financial position.

Principal counterparties are LCP as Property Manager and Butterfield Bank (Guernsey) Limited ("Butterfield") as Bankers. The financial position of LCP and the credit rating of Butterfield are considered by the Board annually or sooner in the event of any cause for concern.

Butterfield is a reputable financial institution and has a short-term credit rating of A-1 according to S&P.

At the reporting date, the Company's financial assets exposed to credit risk amounted to the following:

	(Unaudited) 30 September 2025 £	(Audited) 31 March 2025 £	(Unaudited) 30 September 2024 £
Cash and cash equivalents	78,750	78,750	78,750
Rent receivable from Property Manager (Note 12)	11,411	10,588	10,212
Cash floats held by Property Manager (Note 12) (Note 12)	7,522	10,249	11,807
Service charge deposits (Note 12)	12,500	12,500	12,500
Total	110,183	112,087	113,269

THE LONDON CENTRAL RESIDENTIAL RECOVERY FUND LIMITED

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS (continued)

SIX MONTHS ENDED 30 SEPTEMBER 2025

22. CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

23. SUBSEQUENT EVENTS

Sale of property

Second Floor Flat, 42 Stratford Road sold on 1 December 2025 for the sum of £582,500.

The Board have received notification from Naomi Heaton of her intention to resign as a Director of the Company.

There are no other material events to be disclosed in these financial statements.