Subsea Craft Limited

Annual Report and Consolidated Financial Statements

Year Ended

31 December 2024

Company Number 08930367

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COMPANIES HOUSE

Subsea Craft Limited

Company Information

Directors	Mr R A Collenette Professor J P W Louth Ms C J Martin Mr L D Ebsworth Mr C M Carrington-Smith The Rt Hon Dame Penny Mordaunt
Company secretary	Mrs L J Cannon
Registered number	08930367
Registered office	The Camber East Street Portsmouth PO1 2JJ
Independent auditor	BDO LLP *Arcadia House* Maritime Walk Ocean Village Southampton SO14 3TL

Subsea Craft Limited

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Subsea Craft Limited

Group Strategic Report
For the Year Ended 31 December 2024

Introduction

The Directors present their Strategic Report for Subsea Craft Limited and its subsidiaries (the "Group") together with the audited financial statements for the year ended 31 December 2024.

Business review

The Group's strategy is centred on sustainable growth through agile innovation, customer satisfaction, and operational efficiency. Our business model capitalises on a tightly integrated technical ecosystem that delivers software-enabled hardware solutions to meet the defence sector's evolving needs.

This model has matured into a clearly defined multi product-to-market strategy, underpinned by a suite of supporting services including training, sustainment, and innovation-as-a-service. This ensures our platforms are not only delivered but also embedded, supported, and continuously enhanced in line with customer needs.

To enable this, we have strengthened our supply chain management and deepened strategic partnerships, enhancing our ability to deliver at pace and scale. These improvements reinforce our commitment to long-term, sustainable growth while increasing our responsiveness to emerging defence needs.

In parallel, the Group expanded its international footprint by progressing the stand-up of subsidiaries in the European Union, United States of America, and Australia; a strategic move designed to improve regional responsiveness and support key export and partnership opportunities.

In support of these growth initiatives, the Group increased headcount by 61% during the year, including the appointment of new leadership in; Product, Manufacturing, and Programme Delivery, to strengthen core operations.

Development of the VICTA programme accelerated significantly during the year, with the capitalisation of £6m (2023: £4.9m) of development costs as an intangible asset, with progress focused on refining its autonomous control architecture. The Group successfully delivered the first phase of work under the UK Ministry of Defence's USSV contract, including receipt of an initial milestone payment of £1.3m. This delivery demonstrates the Group's ability to translate innovation into deployable capability at a pace that outstrips traditional industry cycles, reinforcing our position as a leader in rapid, end-user-focused development.

The strength of our core technological ecosystem was further demonstrated through the rapid diversification of our product portfolio. Both an Uncrewed Surface Vehicle ("USV") and an Uncrewed Aerial Vehicle ("UAV") were added to our offering, reflecting continued investment in a family of systems across multiple domains. These additions have opened new market entry points and broadened our customer base, with early market adoption signalled by a UK R&D contract supporting the UAV and demonstration requests for the USV from multiple allied nations.

Overall, the loss for the year before taxation was £11.5m (2023 - £13.9m) which reflects continued investment in headcount and infrastructure, and with the prior year loss containing a one-off impairment charge of £6m.

The Group has received further loans of £16.5m (2023 - £10.1m) during the year and continues to be funded by its shareholders.

Looking ahead, the Group will continue to advance its technology, expand its product suite, and drive market adoption across multiple regions.

Principal risks and uncertainties

The Directors have identified the following as principal risks:

- **Supply chain disruption** due to geopolitical instability (war in Ukraine, tensions in the South China Sea, and international tariffs placed by the Trump Presidency) potentially impacting the Group, has led the Group to establish a Working Group with all relevant Heads involved to continually monitor the situations;
- **Foreign currency volatility** as a result of shifting economic points of focus (the moving of power from the West to the East) impacting US and EU earnings due to vulnerability to exchange rates, has led the Group to focus on buying goods from in-country sources where possible;
- **Talent retention** becoming harder due to the geographic position of the Group (multiple shipyards and engineering firms nearby) amid a competitive labour market, has led the Group to continuously target above average wages for skilled positions with the Group; and
- **Regulatory uncertainty** amongst new technological developments within the Group, has led the Group to keep abreast of ongoing regulatory evolution with a focus on maintaining necessary controls within all future projects to ensure compliance and enable testing and sales, both domestically and internationally, to continue.

Risk mitigation strategies have been embedded across the operational and leadership levels.

Financial key performance indicators

In the year ended 31 December 2024, the Group delivered a solid performance, with direct investment in research and development projects of £6m.

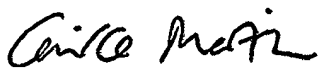
Key financial KPIs include:

- Investment in research and development: IP additions up 22%; and
- Expanding the workforce: average number of employees up 61%

Future outlook

The Directors remain confident in the Group's prospects, underpinned by robust demand in core markets, and recent strategic investments.

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



Ms C J Martin
Director

Date: 23 September 2025

Subsea Craft Limited

Directors' Report
For the Year Ended 31 December 2024

The Directors present their report and the audited financial statements for the year ended 31 December 2024.

The year ended 31 December 2024 is the first year for which consolidated financial statements are required. As a result of this the corresponding figures in respect of the year ended 31 December 2023 for the consolidated financial statements have not been audited.

Principal activity

The Group's principal activities during the financial year remained consistent with prior years and primarily involved the accelerated research, development, and delivery of maritime technology.

Results and dividends

The loss for the year, after taxation, amounted to £10,282,971 (2023 - £13,324,758).

No dividends were declared or paid during the year (2023 - £Nil). The Directors do not propose a final dividend.

Directors

The Directors who served during the year and to the date of this report were:

Mr R A Collenette
Professor J P W Louth
Ms C J Martin
Mr L D Ebsworth
Dr D P Henson (appointed 1 January 2024, resigned 14 April 2025)
Mr C M Carrington-Smith (appointed 24 April 2024)
The Rt Hon Dame Penny Mordaunt (appointed 15 January 2025)
Mr G L Allen (resigned 3 December 2024)
Mr P S Verney (resigned 17 January 2024)
Mr O D Morton (resigned 30 June 2025)

Qualifying third party indemnity provisions

During the financial year and up to the date of this report, the Company has maintained qualifying third-party indemnity provisions for the benefit of the Directors, as permitted by Section 234 of the Companies Act 2006. These indemnity provisions remain in force at the date of this report.

Going concern

Based on the Directors' forecasts and plans, taking into account existing cash and debt facilities, the Group and Company will need to obtain additional funding during 2025/2026 in order to continue meeting liabilities as they fall due. The Group and Company are reliant on support from investors who have pledged sufficient funding into 2025/2026 and for a period of at least 12 months from the approval of these financial statements to meet these obligations.

The net liability position of the Group and Company is as a result of indebtedness to the investors who have pledged continued support.

Research and development activities

During the year, the Company invested £6m (2023 - £4.9m) directly into research and development projects, significantly advancing the development of VICTA and diversifying the product portfolio to include an Uncrewed Surface Vehicle ("USV") and an Uncrewed Aerial Vehicle ("UAV").

Employees

Subsea Craft seeks to reflect diversity in its workforce and to be recognised as an effective equal opportunities employer both in the United Kingdom and overseas. HR procedures are examined and reviewed to ensure that they are free from bias and that decisions are made based on job requirements and against objective criteria. We adopt a zero-tolerance policy towards discrimination, bullying, sexual harassment, sexual exploitation and abuse. We seek to provide equal access to training and development and, through that training, to enhance the capacity of staff members.

Financial risk management objectives and policies

Objectives and policies

The Directors have reviewed the financial risk management objectives and policies of the Group. They do not believe there to be significant risk in this area. The Group does not enter into any hedging instruments as there are not believed to be any material exposure. It does not enter into any financial instruments for speculative purposes.

Price risk, credit risk, liquidity risk, and cash flow risk

Appropriate terms are negotiated with suppliers and customers. Management reviews these terms, the relationships with suppliers and customers and manages any exposure on normal trade terms, the Group prepares regular forecasts of cash flow and liquidity and any requirement for additional funding is managed by the Directors on a needs basis.

Disclosure of information to auditor

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware; and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

Directors' responsibilities statement

The Directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK 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 Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Post balance sheet events

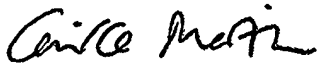
Since the year end a further £18.75m of loan facility has been advanced to the Parent Company.

There were no other material post-balance sheet events.

Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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



Ms C J Martin
Director

Date: 23 September 2025

Independent Auditor's Report to the Members of Subsea Craft Limited

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and Parent Company's affairs as at 31 December 2024 and of the Group's and Parent Company's loss for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Subsea Craft Limited (the "Parent Company") and its subsidiaries (the "Group") for the year ended 31 December 2024 which comprise the Consolidated Statement of Comprehensive Income, Company Statement of Comprehensive Income, Consolidated Statement of Financial Position, Company Statement of Financial Position, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group or Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other matter

The financial statements of the Group for the year ended 31 December 2024 represent the first time that consolidated financial statements have been prepared. The amounts presented in these financial statements as comparative information for the Group do not therefore appear in a publicly available, audited set of financial statements for the Company.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report and Consolidated Financial Statements, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Other Companies Act 2006 reporting

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

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

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; and
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

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

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent 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 Group and the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Group and the industry in which it operates;
- Discussion with management and those charged with governance; and
- Obtaining an understanding of the Group's policies and procedures regarding compliance with laws and regulations.

We considered the significant laws and regulations to be the applicable accounting framework and UK tax legislation.

The Group and Company are also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be health and safety legislation.

Our procedures in respect of the above included:

- Review of minutes of meetings of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

Auditor's responsibilities for the audit of the financial statements (continued)

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
  - Detecting and responding to the risks of fraud; and
  - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meetings of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation; and
- Assessing significant estimates made by management for bias being the capitalisation of development cost, impairment of intangible and tangible assets and depreciation and amortisation of fixed assets.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

Use of our report

This report is made solely to the Parent Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:
Alex Stansbury
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Alex Stansbury (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Southampton
United Kingdom

Date: 24 September 2025

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Subsea Craft Limited

Consolidated Statement of Comprehensive Income
For the Year Ended 31 December 2024

	Note	2024 £	Unaudited 2023 £
Turnover	4	1,487,207	764,019
Cost of sales		(979,598)	(25,710)
Gross profit		507,609	738,309
Administrative expenses		(10,027,232)	(13,538,021)
Other operating income	5	82,480	149,371
Operating loss	6	(9,437,143)	(12,650,341)
Interest receivable and similar income	9	26,026	46,717
Interest payable and similar expenses	10	(2,042,871)	(1,300,700)
Loss before taxation		(11,453,988)	(13,904,324)
Tax on loss	11	1,171,017	579,566
Total comprehensive loss for the financial year		(10,282,971)	(13,324,758)
Loss for the year attributable to:			
Owners of the Parent Company		(10,282,971)	(13,324,758)
		(10,282,971)	(13,324,758)

The results stated above are derived from continuing activities.

There was no other comprehensive income for 2024 (2023 - £Nil).

The notes on pages 19 to 39 form part of these financial statements.

Subsea Craft Limited

Company Statement of Comprehensive Income
For the Year Ended 31 December 2024

	Note	2024 £	2023 £
Turnover	4	1,487,207	764,019
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Gross profit		507,609	738,309
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Loss before taxation		(11,453,988)	(13,904,324)
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Total comprehensive loss for the financial year		(10,282,971)	(13,324,758)

The results stated above are derived from continuing activities.

There was no other comprehensive income for 2024 (2023 - £Nil).

The notes on pages 19 to 39 form part of these financial statements.

Subsea Craft Limited
Registered number: 08930367

Consolidated Statement of Financial Position
As at 31 December 2024

	Note		2024 £		Unaudited 2023 £
Fixed assets					
Intangible assets	12		6,937,324		1,225,734
Tangible assets	13		1,031,415		695,165
			7,968,739		1,920,899
Current assets					
Stocks	15	150,801		-	
Debtors: amounts falling due within one year	16	3,951,611		2,126,760	
Cash and cash equivalents	17	1,807,765		1,445,212	
		5,910,177		3,571,972	
Current liabilities					
Creditors: amounts falling due within one year	18	(6,701,946)		(4,538,291)	
Net current liabilities			(791,769)		(966,319)
Total assets less current liabilities			7,176,970		954,580
Creditors: amounts falling due after more than one year	19		(53,765,000)		(37,265,000)
Net liabilities			(46,588,030)		(36,310,420)
Capital and reserves					
Called up share capital	20		59		59
Share premium account	21		249,964		249,964
Capital redemption reserve	21		45		45
Share-based payment reserve	21		19,410		14,049
Accumulated losses	21		(46,857,508)		(36,574,537)
Total equity			(46,588,030)		(36,310,420)

The financial statements were approved and authorised for issue by the Board and were signed on its behalf by:

.....

Ms C J Martin
Director

Date: 23 September 2025

The notes on pages 19 to 39 form part of these financial statements.

Subsea Craft Limited
Registered number: 08930367

Company Statement of Financial Position
As at 31 December 2024

	Note		2024 £		2023 £
Fixed assets					
Intangible assets	12		6,937,324		1,225,734
Tangible assets	13		1,031,415		695,165
Investments	14		65		-
			7,968,804		1,920,899
Current assets					
Stocks	15	150,801		-	
Debtors: amounts falling due within one year	16	4,605,025		2,126,760	
Cash at bank and in hand	17	1,807,765		1,445,212	
		6,563,591		3,571,972	
Creditors: amounts falling due within one year	18	(7,355,425)		(4,538,291)	
Net current liabilities			(791,834)		(966,319)
Total assets less current liabilities			7,176,970		954,580
Creditors: amounts falling due after more than one year	19		(53,765,000)		(37,265,000)
Net liabilities			(46,588,030)		(36,310,420)
Capital and reserves					
Called up share capital	20		59		59
Share premium account	21		249,964		249,964
Capital redemption reserve	21		45		45
Share-based payment reserve	21		19,410		14,049
Accumulated losses	21		(46,857,508)		(36,574,537)
Total equity			(46,588,030)		(36,310,420)

The financial statements were approved and authorised for issue by the Board and were signed on its behalf by:



Ms C J Martin
Director

Date: 23 September 2025

The notes on pages 19 to 39 form part of these financial statements.

Subsea Craft Limited

Consolidated Statement of Changes in Equity
For the Year Ended 31 December 2024

	Called up share capital	Share premium account	Capital redemption reserve	Share-based payment reserve	Accumulated losses	Total equity
	£	£	£	£	£	£
At 1 January 2023	59	249,964	45	5,924	(23,249,779)	(22,993,787)
Comprehensive loss for the year						
Loss for the year	-	-	-	-	(13,324,758)	(13,324,758)
Share based payment credit	-	-	-	8,125	-	8,125
Total comprehensive loss for the year	-	-	-	8,125	(13,324,758)	(13,316,633)
At 1 January 2024	59	249,964	45	14,049	(36,574,537)	(36,310,420)
Comprehensive loss for the year						
Loss for the year	-	-	-	-	(10,282,971)	(10,282,971)
Share based payment credit	-	-	-	5,361	-	5,361
Total comprehensive loss for the year	-	-	-	5,361	(10,282,971)	(10,277,610)
At 31 December 2024	59	249,964	45	19,410	(46,857,508)	(46,588,030)

The notes on pages 19 to 39 form part of these financial statements.

Subsea Craft Limited

Company Statement of Changes in Equity
For the Year Ended 31 December 2024

	Called up share capital	Share premium account	Capital redemption reserve	Share-based payment reserve	Accumulated losses	Total equity
	£	£	£	£	£	£
At 1 January 2023	59	249,964	45	5,924	(23,249,779)	(22,993,787)
Comprehensive loss for the year						
Loss for the year	-	-	-	-	(13,324,758)	(13,324,758)
Share based payment credit	-	-	-	8,125	-	8,125
Total comprehensive loss for the year	-	-	-	8,125	(13,324,758)	(13,316,633)
At 1 January 2024	59	249,964	45	14,049	(36,574,537)	(36,310,420)
Comprehensive loss for the year						
Loss for the year	-	-	-	-	(10,282,971)	(10,282,971)
Share based payment credit	-	-	-	5,361	-	5,361
Total comprehensive loss for the year	-	-	-	5,361	(10,282,971)	(10,277,610)
At 31 December 2024	59	249,964	45	19,410	(46,857,508)	(46,588,030)

The notes on pages 19 to 39 form part of these financial statements.

Subsea Craft Limited

Consolidated Statement of Cash Flows
For the Year Ended 31 December 2024

	Note	2024 £	Unaudited 2023 £
Cash flows from operating activities			
Loss for the financial year		(11,453,988)	(13,904,324)
Adjustments for:			
Amortisation of intangible assets	12	103,947	-
Depreciation of tangible assets	13	292,715	287,168
Impairments of fixed assets	12	632,523	5,976,948
Gain on disposal of tangible assets	6	(7,457)	-
Interest received	9	(26,026)	(46,717)
Interest paid	10	2,042,871	1,300,700
Transfer to share based payment reserve	22	5,361	8,125
Increase in stocks	15	(150,801)	-
(Increase)/decrease in debtors	16	(1,277,746)	213,045
Increase in creditors		120,784	527,944
Corporation tax received		647,918	1,989,917
R&D credit		(24,006)	-
Net cash used in operating activities		(9,093,905)	(3,647,194)
Cash flows from investing activities			
Purchase of intangible fixed assets	12	(6,448,060)	(5,202,112)
Purchases of property, plant and equipment	13	(696,255)	(594,455)
Proceeds from sale of equipment		74,747	-
Interest received	9	26,026	46,717
Net cash used in investing activities		(7,043,542)	(5,749,850)
Cash flows from financing activities			
Issue of preference shares		-	135,000
Proceeds from borrowings	19	16,500,000	10,075,000
Net cash generated from financing activities		16,500,000	10,210,000
Net increase in cash and cash equivalents		362,553	812,956
Cash and cash equivalents at beginning of year		1,445,212	632,256
Cash and cash equivalents at the end of year		1,807,765	1,445,212

Consolidated Statement of Cash Flows (continued)
For the Year Ended 31 December 2024

	Note	2024 £	2023 £
Cash and cash equivalents at the end of year comprise:			
Cash at bank and in hand	17	1,807,765	1,445,212
		1,807,765	1,445,212

The notes on pages 19 to 39 form part of these financial statements.

1. General information

Subsea Craft Limited (the "Company") is a private limited company limited by shares and incorporated in England and Wales under the Companies Act 2006. The Company's registered number and registered office address can be found on the Company Information page and the nature of the Company's operations and its principal activities are set out in the Directors Report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102 ("FRS 102"), the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Group's accounting policies (see note 3).

The year ended 31 December 2024 is the first year for which consolidated financial statements are required. As a result of this the corresponding figures for the year ended 31 December 2023 for the consolidated financial statements have not been audited.

The functional and presentational currency of these financial statements is GBP. Values are rounded to the nearest pound.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Consolidated Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

The consolidated financial statements incorporate the financial statements of the Company and all Group undertakings. These are adjusted, where appropriate, to conform to Group accounting policies.

2.3 Parent Company disclosure exemptions

In preparing the separate financial statements of the Company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No cash flow statement or net debt reconciliation has been presented for the Company.
- No disclosure has been given for the aggregate remuneration of the key management personnel of the Company as their remuneration is included in the totals for the Group as a whole.

2. Accounting policies (continued)

2.4 Going concern

Based on the Directors' forecasts and plans, taking into account existing cash and debt facilities, the Group and Company will need to obtain additional funding during 2025/2026 in order to continue meeting liabilities as they fall due. The Group and Company are reliant on support from investors who have pledged sufficient funding into 2025/2026 and for a period of at least 12 months from the approval of these financial statements to meet these obligations.

The net liability position of the Group and Company is as a result of indebtedness to the investors who have pledged continued support.

2.5 Foreign currency translation

Functional and presentation currency

The Group's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period-end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are translated using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss within 'interest receivable and similar income or interest payable and similar expense'. All other foreign exchange gains and losses are presented in profit or loss within 'administrative expenses'.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2. Accounting policies (continued)

2.6 Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.7 Other operating income

Other operating income relates to rental income of surplus space in the workshop.

2.8 Interest receivable and similar income

Interest receivable and similar income is recognised in profit or loss using the effective interest method.

2.9 Interest payable and similar expense

Interest payable and similar expense are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.10 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

2. Accounting policies (continued)

2.11 Taxation

Tax is recognised in profit or loss, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the Statement of Financial Position date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- the recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.12 Intangible assets

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset is technically feasible, will generate probable future economic benefits and that its cost can be reliably measured.

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Included within intangibles is internally generated intellectual property including technology that is integral to the operation of specialised vessels. These costs will be amortised once the vessel is fully developed and available for sale.

Computer systems relate to the ERP system and is amortised over 5 years from the date of which the asset is used.

Amortisation on patents and licences will commence upon successful completion of projects when it is expected that the Parent Company will begin to consume the future economic benefits.

2. Accounting policies (continued)

2.13 Tangible assets

Tangible assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Short-term leasehold property improvements	- 20% on cost
Plant and machinery	- 25% on reducing balance
Motor vehicles	- 20% on cost
Fixtures and fittings	- 20% on reducing balance
Office equipment	- 33% on cost

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.14 Impairment of fixed assets

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset is tested for impairment.

An impairment loss is recognised in profit or loss for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

2.15 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.16 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.17 Debtors

Short-term debtors are measured at transaction price, less any impairment.

2. Accounting policies (continued)

2.18 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.19 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including other loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.20 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade and other debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in the case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a Director in the case of a small company, or a public benefit entity concessionary loan.

Redeemable and convertible redeemable preference shares are treated as a financial liability at transaction price including any costs. The annual interest expense is recognised in the profit and loss account using the effective interest method.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in profit or loss.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determine under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2. Accounting policies (continued)

2.21 Share-based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period.

Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the Directors have had to make the following judgements:

- Determine whether there are indicators of impairment of the Group's tangible and intangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash generating unit, the viability and expected future performance of that unit. In particular, in the prior year the judgement was taken to impair the intangible asset associated with the V1C1 platform on the basis that it is the V1C2 variant that will ultimately be taken to market.

Other key sources of estimation uncertainty:

- Tangible assets (see note 13)

  Tangible assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on the number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

- Intangible assets (see note 12)

  Patents and licences

  Patents capitalised as an intangible asset are amortised over their useful life commencing when the patent is available for use in the manner intended by management.

  Development expenditure (including intellectual property)

  Initial recognition

  Management exercise judgement as to whether a project is in the research or the development phase by considering if the work is the application of research findings or other knowledge to a plan or design for production of new or substantially improved materials, devices, products, processes, systems or services before the start of commercial production or use.

3. *Judgements in applying accounting policies (continued)*

If based on management's judgement they consider a project to be in the development phase. expenditure on the project will only be capitalised as an intangible asset if all the following criteria are met, all of which require a degree of judgement:

- Whether the Group has the technical feasibility to complete the project resulting in an intangible asset which will be available for internal use or sale;
- Whether it is the intention of the Group to complete the project for internal use or sale;
- Whether the intangible asset created from the project will generate future economic benefits;
- Whether the Group has the adequate technical, financial and other resources to complete the project; and
- Whether the expenditure attributable to the project can be measured reliably during the development phase.

- Taxation (see note 11)

The tax recoverable is based on management's best estimate using all information available at the reporting date.

Based on management's judgements, no deferred tax asset (2023 - £Nil) has been recognised due to insufficient certainty over the profits against which this can be recovered.

4. **Turnover**

An analysis of turnover by class of business is as follows:

	Group 2024 £	Unaudited Group 2023 £	Company 2024 £	Company 2023 £
Design and development	1,487,207	764,019	1,487,207	764,019

All turnover arose within the United Kingdom.

5. **Other operating income**

	Group 2024 £	Unaudited Group 2023 £	Company 2024 £	Company 2023 £
Net rents receivable	58,474	149,371	58,474	149,371
R&D credit	24,006	-	24,006	-
	82,480	149,371	82,480	149,371

6. Operating loss

The operating loss is stated after charging/(crediting):

	Group 2024 £	Unaudited Group 2023 £	Company 2024 £	Company 2023 £
Share-based payment expense	5,361	8,125	5,361	8,125
Amortisation of intangible assets	103,947	-	103,947	-
Depreciation of tangible assets	292,715	287,168	292,715	287,168
Fees payable to the Company's auditor and its associates for the audit of the company's annual accounts	49,000	35,000	49,000	35,000
Impairment of intangible assets	632,523	5,976,948	632,523	5,976,948
Gain on disposal of tangible fixed assets	(7,457)	-	(7,457)	-

7. Employees

Staff costs, including Directors' remuneration, were as follows:

	Group 2024 £	Unaudited Group 2023 £	Company 2024 £	Company 2023 £
Wages and salaries	6,221,177	4,030,407	6,221,177	4,030,407
Social security costs	758,849	469,531	758,849	469,531
Cost of defined contribution scheme	187,701	52,013	187,701	52,013
	7,167,727	4,551,951	7,167,727	4,551,951

The average monthly number of employees, including the Directors, during the year was as follows:

	Group 2024 No.	Unaudited Group 2023 No.	Company 2024 No.	Company 2023 No.
Director and senior management	10	9	10	9
Technical	36	19	36	19
Commercial	12	10	12	10
Operations	18	8	18	8
Administration	16	11	16	11
	92	57	92	57

8. Directors' remuneration

	Group 2024 £	Unaudited Group 2023 £	Company 2024 £	Company 2023 £
Directors' emoluments	835,720	713,116	835,720	713,116
Company contributions to defined contribution pension schemes	10,417	2,972	10,417	2,972
	846,137	716,088	846,137	716,088

There were 4 Directors in the Company's defined contribution pension scheme (2023 - 3).

The highest paid Director received emoluments of £258,123 (2023 - £236,382).

The value of the Company's contribution paid to defined contribution pension scheme in respect of the highest paid Director amounted to £3,455 (2023 - £1,321).

9. Interest receivable and similar income

	Group 2024 £	Unaudited Group 2023 £	Company 2024 £	Company 2023 £
Bank interest receivable	21,953	7,177	21,953	7,177
Other interest receivable	4,073	39,540	4,073	39,540
	26,026	46,717	26,026	46,717

10. Interest payable and similar expenses

	Group 2024 £	Unaudited Group 2023 £	Company 2024 £	Company 2023 £
Other loan interest payable	2,042,871	1,300,700	2,042,871	1,300,700

11. Taxation

	Group 2024 £	Unaudited Group 2023 £	Company 2024 £	Company 2023 £
Corporation tax				
Current tax credit for the year	(1,109,987)	(668,625)	(1,109,987)	(668,625)
Adjustments in respect of previous periods	(61,030)	89,059	(61,030)	89,059
Total current tax	(1,171,017)	(579,566)	(1,171,017)	(579,566)

Factors affecting tax credit for the year

The tax assessed for the year is higher than (2023 - higher than) the standard/effective rate of corporation tax in the UK of 25% (2023 - 23.52%). The differences are explained below:

	Group 2024 £	Unaudited Group 2023 £	Company 2024 £	Company 2023 £
Loss on ordinary activities before tax	(11,453,988)	(13,904,324)	(11,453,988)	(13,904,324)
Loss on ordinary activities multiplied by standard/effective rate of corporation tax in the UK of 25% (2023 - 23.52%)	(2,863,497)	(3,270,297)	(2,863,497)	(3,270,297)
Effects of:				
Expenses not deductible for tax purposes	514,978	311,645	514,978	311,645
Fixed asset differences	3,300	2,922	3,300	2,922
Adjustments to tax charge in respect of prior periods	(61,030)	89,059	(61,030)	89,059
Surrender of tax losses for R&D tax credit refund	2,774,967	1,390,064	2,774,967	1,390,064
Additional deduction for R&D expenditure	(1,283,049)	(684,448)	(1,283,049)	(684,448)
R&D expenditure credits	2,001	-	2,001	-
Movement in deferred tax not recognised	850,925	2,248,279	850,925	2,248,279
R&D tax credit	(1,109,987)	(668,625)	(1,109,987)	(668,625)
Other permanent differences	375	1,835	375	1,835
	(1,171,017)	(579,566)	(1,171,017)	(579,566)

11. Taxation (continued)

At 31 December 2024, the Group has available tax losses of approximately £28,860,946 (2023 - £20,427,950) to carry forward against profits of future periods. At a corporate tax rate of 25% (2023 - 25%), a deferred tax asset of £5,600,984 (2023 - £4,838,555) in relation to those losses has not been recognised as, in the short term, there is insufficient certainty over the profits against which this can be recovered.

Factors that may affect future tax charges

There are no factors that may affect future tax charges.

12. *Intangible assets*

Group

	Patents and licences £	Intellectual property £	Computer systems £	Total £
Cost				
At 1 January 2024	128,221	21,548,647	203,683	21,880,551
Additions	52,420	5,976,785	418,855	6,448,060
At 31 December 2024	180,641	27,525,432	622,538	28,328,611
Amortisation				
At 1 January 2024	-	20,654,817	-	20,654,817
Charge for the year	-	-	103,947	103,947
Impairment charge	-	632,523	-	632,523
At 31 December 2024	-	21,287,340	103,947	21,391,287
Net book value				
At 31 December 2024	180,641	6,238,092	518,591	6,937,324
At 31 December 2023	128,221	893,830	203,683	1,225,734

The above costs relate to intellectual property for specialist water vessels and related patents.

12. Intangible assets (continued)

Company

	Patents and licenses £	Intellectual property £	Computer systems £	Total £
Cost				
At 1 January 2024	128,221	21,548,647	203,683	21,880,551
Additions	52,420	5,976,785	418,855	6,448,060
At 31 December 2024	180,641	27,525,432	622,538	28,328,611
Amortisation				
At 1 January 2024	-	20,654,817	-	20,654,817
Charge for the year	-	-	103,947	103,947
Impairment charge	-	632,523	-	632,523
At 31 December 2024	-	21,287,340	103,947	21,391,287
Net book value				
At 31 December 2024	180,641	6,238,092	518,591	6,937,324
At 31 December 2023	128,221	893,830	203,683	1,225,734

The above costs relate to intellectual property for specialist water vessels and related patents.

13. Tangible assets

Group

	Short-term leasehold property improvements £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation						
At 1 January 2024	149,964	337,863	189,117	203,150	378,490	1,258,584
Additions	50,819	527,578	20,183	15,571	82,104	696,255
Disposals	-	-	(87,390)	-	-	(87,390)
At 31 December 2024	200,783	865,441	121,910	218,721	460,594	1,867,449
Depreciation						
At 1 January 2024	87,786	116,942	36,628	66,103	255,960	563,419
Charge for the year	28,631	101,099	26,323	28,761	107,901	292,715
Disposals	-	-	(20,100)	-	-	(20,100)
At 31 December 2024	116,417	218,041	42,851	94,864	363,861	836,034
Net book value						
At 31 December 2024	84,366	647,400	79,059	123,857	96,733	1,031,415
At 31 December 2023	62,178	220,921	152,489	137,047	122,530	695,165

13. Tangible assets (continued)

Company

	Short-term leasehold property improvements £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation						
At 1 January 2024	149,964	337,863	189,117	203,150	378,490	1,258,584
Additions	50,819	527,578	20,183	15,571	82,104	696,255
Disposals	-	-	(87,390)	-	-	(87,390)
At 31 December 2024	200,783	865,441	121,910	218,721	460,594	1,867,449
Depreciation						
At 1 January 2024	87,786	116,942	36,628	66,103	255,960	563,419
Charge for the year	28,631	101,099	26,323	28,761	107,901	292,715
Disposals	-	-	(20,100)	-	-	(20,100)
At 31 December 2024	116,417	218,041	42,851	94,864	363,861	836,034
Net book value						
At 31 December 2024	84,366	647,400	79,059	123,857	96,733	1,031,415
At 31 December 2023	62,178	220,921	152,489	137,047	122,530	695,165

14. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2024	-
Additions	65
At 31 December 2024	65

Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	Registered office	Class of shares	Holding
Subsea Craft Australia Pty Limited	Level 11, 1 Margaret Street, Sydney NSW 2000	Ordinary	100%

15. Stocks

	Group 2024 £	Unaudited Group 2023 £	Company 2024 £	Company 2023 £
Raw materials and consumables	150,801	-	150,801	-
	150,801	-	150,801	-

There is no material difference between the reporting date value of stocks and their replacement cost.

16. Debtors: amounts falling due within one year

	Group 2024 £	Unaudited Group 2023 £	Company 2024 £	Company 2023 £
Trade debtors	1,719	11,725	1,719	11,725
Amounts owed by group undertakings	-	-	653,414	-
Other debtors	430,530	185,096	430,530	185,096
Prepayments and accrued income	1,653,266	610,948	1,653,266	610,948
Tax receivable	1,866,096	1,318,991	1,866,096	1,318,991
	3,951,611	2,126,760	4,605,025	2,126,760

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

17. Cash and cash equivalents

	Group 2024 £	Unaudited Group 2023 £	Company 2024 £	Company 2023 £
Cash at bank and in hand	1,807,765	1,445,212	1,807,765	1,445,212

18. Creditors: Amounts falling due within one year

	Group 2024 £	Unaudited Group 2023 £	Company 2024 £	Company 2023 £
Trade creditors	526,068	496,900	526,068	496,900
Social security and other taxes	330,665	164,345	330,665	164,345
Repurchase agreement liability	-	-	653,479	-
Other creditors	45,466	14,263	45,466	14,263
Accruals and deferred income	5,799,747	3,862,783	5,799,747	3,862,783
	6,701,946	4,538,291	7,355,425	4,538,291

19. Creditors: Amounts falling due after more than one year

	Group 2024 £	Unaudited Group 2023 £	Company 2024 £	Company 2023 £
Other loans - 2-5 years	37,450,000	20,950,000	37,450,000	20,950,000
Preference shares (see note 20)	16,315,000	16,315,000	16,315,000	16,315,000
	53,765,000	37,265,000	53,765,000	37,265,000

Disclosure of the terms and conditions attached to the non-equity shares is made in note 20.

The preference shares are repayable otherwise than by instalments (see note 20).

Other loans are secured by a fixed and floating charge over the assets of the Parent Company. Since the year end a further £18.75m of loan facility has been advanced to the Parent Company.

20. Called up share capital

Allotted, called up and full paid

	2024 Number	2023 Number	2024 £	2023 £
Ordinary A shares of £0.01 each	**3,700**	3,700	**37.00**	37.00
Ordinary B shares of £0.01 each	**1,375**	1,700	**13.75**	17.00
Deferred shares of £0.01 each	**825**	500	**8.25**	5.00
	5,900	5,900	**59.00**	59.00

Presented as a financial liability

Convertible redeemable preference shares of £1.00 each	**315,000**	315,000	**315,000**	315,000
Redeemable preference share of £1.00 each	**16,000,000**	16,000,000	**16,000,000**	16,000,000
	16,315,000	16,315,000	**16,315,000**	16,315,000

The Ordinary A and B shares each carry one voting right and a right to dividends following payment of preference dividends, and rights to capital distribution on winding up.

Deferred shares have no voting rights or any dividend rights.

In addition, the Parent Company has in issue 16,315,000 (2023 - 16,315,000) £1 redeemable preference shares that are allotted, called up and fully paid. These shares are classified as a financial liability in accordance with FRS 102. These shares pay an annual dividend of 8% and are redeemable at the option of the Parent Company upon one month written notice. The preference shares have no voting rights.

21. Reserves

The Group's reserves are as follows:

Share premium account

The share premium account is used to record the aggregate amount or value of premiums paid when the Group's shares are issued at an amount in excess of nominal value.

Capital redemption reserve

The capital redemption reserve contains the nominal value of own shares that have been acquired by the Group and cancelled.

Share-based payment reserve

The share-based payment reserve represents the fair value of the share options expected to vest with any change in fair value being recognised through profit or loss.

Retained earnings

The retained earnings represent cumulative profits or losses net of dividends paid and other adjustments.

22. Share-based payments

The Parent Company operates an equity-settled share-based remuneration scheme for employees. Employees are eligible to participate in the long term incentive scheme, the only vesting condition being that the individual remains an employee of the Parent Company over a two-year vesting period.

Once vested, options are only exercisable upon third party acquisition or floatation of the Parent Company's share capital at which point all options are exercised in full.

The total number of options outstanding at the end of the year was 670 (2023 – 602), and 421 had fully vested (2023 - 192) at the reporting date.

The Parent Company did not enter into any share-based payment transactions with parties other than employees during the current or previous periods.

A total share-based payment charge was recognised in the profit and loss account during the period of £5,361 (2023 - £8,125) with a corresponding increase in the share-based payment reserve.

23. Contingent liabilities

The Parent Company entered into an agreement during the year ended 31 December 2021 on which a third party will receive £300,000 from the first sale of a vessel from the year end date to the end of the agreement, August 2025.

The Parent Company entered into an agreement during the year ended 31 December 2022 on which a third party will receive a commission based on vessel sales in a certain jurisdiction until the end of the agreement, July 2027.

24. Pension commitments

The Group operates a number of defined contributions pension plans. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £187,701 (2023 - £52,013). Contributions totalling £45,121 (2023 - £13,784) were payable to the fund at the reporting date and are included in creditors.

25. Commitments under operating leases

At 31 December 2024, the Group and Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2024 £	Unaudited Group 2023 £	Company 2024 £	Company 2023 £
Within one year	984,665	513,348	984,665	513,348
Between one and five years	3,408,198	1,002,169	3,408,198	1,002,169
	4,392,863	1,515,517	4,392,863	1,515,517

26. Directors' advances, credit and guarantees

	Group 2024 £	Unaudited Group 2023 £	Company 2024 £	Company 2023 £
As at 1 January	4,448	13,499	4,448	13,499
Amounts advanced	1,895	948	1,895	948
Amounts repaid	-	(9,999)	-	(9,999)
As at 31 December	6,343	4,448	6,343	4,448

All advances are interest free and repayable on demand.

27. Analysis of changes in net debt

	At 1 January 2024 £	Cash flows £	Other non-cash changes £	At 31 December 2024 £
Group				
Cash at bank and in hand	1,445,212	362,553	-	1,807,765
Debt due within one year	(3,400,136)	-	(2,042,871)	(5,443,007)
Debt due after one year	(37,265,000)	(16,500,000)	-	(53,765,000)
	(39,219,924)	(16,137,447)	(2,042,871)	(57,400,242)

28. Related party transactions

The Company has taken advantage of the exemption allowed by the Financial Reporting Standard 102, "Related Party Transactions" section 33.1A, not to disclose transactions with wholly owned members of the Group, headed by Subsea Craft Limited that are included in the consolidated financial statements.

During the year, the Company received funding in the form of loan advances from its majority shareholder/investor of £16.5m (2023 - £10.075m). At the year end, the aggregate loan advances totalled £37.45m (2023 - £20.95m) and are included in other loans falling due after more than one year. Interest accrued in the year on these loans amounted to £737,671 (2023 - £Nil).

29. Controlling party

There is no controlling party.

30. Subsequent events

Since the year end a further £18.75m of loan facility has been advanced to the Parent Company.

There were no other material post-balance sheet events.