Subsea Craft Limited

Annual Report and Consolidated Financial Statements

Year Ended

31 December 2025

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 C M Carrington-Smith The Rt Hon Dame Penny Mordaunt Mr T P Harkin Mr M K Swales
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 2025

Introduction

The Directors present their Strategic Report for Subsea Craft Limited (the "Company") and its subsidiaries (the "Group") together with the audited financial statements for the year ended 31 December 2025.

Business review

The Group continued to make substantial progress during 2025, building on the foundations established in prior years and advancing its strategy to become a leading provider of innovative maritime and autonomous defence technologies. Significant investment in research and development, international expansion, manufacturing capability, and organisational capacity has strengthened the Group's platform for future growth. The year saw further advancement of the VICTA programme, expansion into adjacent product domains, and continued engagement with defence customers and partners across multiple international markets.

The Group's strategy is to develop and commercialise innovative maritime and autonomous technologies, creating a family of differentiated defence and security products supported by long-term training, sustainment and support services across allied markets. 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 including those associated with the AUKUS initiative.

In support of these growth initiatives, the Group increased headcount by 51% during the year, including the appointment of new leadership in: Technical, Commercial, and Finance, to strengthen core operations.

Development of the VICTA programme accelerated significantly during the year, with the capitalisation of £11.4m (2024 - £6m) of development costs as an intangible asset, with progress focused on refining its autonomous control architecture. To further support the VICTA development, in 2026 the Group completed a strategic investment for a 40% equity interest in Lorillion, a specialist provider of UK sovereign battery systems for defence, marine and automotive sectors.

The strength of our core technological ecosystem was further demonstrated through the rapid diversification of our product portfolio. Both MARS (an Uncrewed Surface Vehicle) and CADDIS (an Uncrewed Aerial Vehicle) were added to our offering, reflecting continued investment in a family of systems across multiple domains and bringing the total capitalised development costs in the year to £15.1m. MARS and CADDIS were successfully demonstrated to multiple allied nations at various events during the year and began generating revenue in 2026.

Overall, the loss for the year before taxation was £17.5m (2024 - £11.5m) which reflects continued investment in headcount and infrastructure.

The Group has received further loans of £27.6m (2024 - £16.5m) during the year and continues to be supported by its shareholders. From May 2026, as detailed elsewhere in this Annual Report, the Company also received funding from J.P.MORGAN SE.

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:

- **Talent attraction and retention** in a continuing tight labour market, due to the geographic position of the Group (multiple shipyards and engineering firms nearby), has led the Group to continuously target above average wages for skilled positions with the Group;
- **Market demand** presents significant challenges, in particular: managing the volume of pipeline opportunities, and expanding production facilities to keep pace with the anticipated demands of contracts under negotiation.
- **Supply chain disruption** due to geopolitical instability (the situation in Israel and Iran, the ongoing war in Ukraine, and tensions in the South China Sea) potentially impacting the Group, has led the Group to establish a Working Group with all relevant Heads involved to continually monitor the situations; and
- **Regulatory uncertainty** amongst new technological developments within the Group, has led the Group to monitor regulatory developments across the jurisdictions in which it operates and maintains active engagement with relevant authorities and industry stakeholders. The Group's international presence provides access to multiple testing, development and operational environments, reducing reliance on any single regulatory regime and supporting continued product development activities.

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

Financial Key Performance Indicators (KPIs)

In the year ended 31 December 2025, the Group delivered a solid performance, with direct investment in research and development projects of £15.1m (2024 - £6m).

Key financial KPIs include:

- Investment in research and development: Intellectual property additions up 90% (2024 - 22%); and
- Expanding the workforce: average number of employees up 51% (2024 - 61%).

Future outlook

The Directors believe the Group is entering its next phase of development from a position of strength. Significant investments made over recent years in intellectual property, product development, organisational capability and international expansion have established a strong foundation for future growth.

Whilst uncertainty remains within the broader geopolitical and economic environment, the Directors continue to see favourable market conditions across the Group's target sectors. Increasing defence expenditure amongst allied nations, together with opportunities arising from initiatives such as AUKUS and the growing adoption of autonomous systems, support the Directors' confidence in the long-term potential of the business.

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

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Ms C J Martin
Director

Date: 30/09/2026

Subsea Craft Limited

Directors' Report
For the Year Ended 31 December 2025

The Directors present their report and the audited financial statements for the year ended 31 December 2025.

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 £17,482,258 (2024 - £10,282,971).

No dividends were declared or paid during the year (2024 - £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 C M Carrington-Smith
The Rt Hon Dame Penny Mordaunt (appointed 15 January 2025)
Mr T P Harkin (appointed 18 December 2025)
Mr M K Swales (appointed 30 April 2026)
Dr D P Henson (resigned 14 April 2025)
Mr O D Morton (resigned 30 June 2025)
Mr L D Ebsworth (resigned 20 November 2025)

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 Company and the Group 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.

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.

Going concern

Based on the Directors' forecasts and plans, taking into account existing cash and debt facilities, the Group and Company will continue to be reliant on the support of investors/lenders during 2026/2027.

In May 2026, the Company secured a revolving credit facility with J.P. MORGAN SE for up to £80m. The investors have pledged any additional support as may be required for a period of at least 12 months from the approval of these financial statements in order that the Company and Group can continue meeting liabilities as they fall due.

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 £15.1m (2024 - £6m) 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 given the facilities in place and ongoing shareholder support. 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.

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.

Matters included in the Strategic Report

Certain disclosure requirements of the Directors' Report are included in the Strategic Report. These include: information about branches outside the UK and future outlook.

Subsequent events

In May 2026, the Company entered into a revolving credit facility with J.P. MORGAN SE for up to £80m, secured by a fixed charge over the assets of the Company, with an affiliated company of the majority shareholder acting as guarantor, for the purpose of refinancing existing shareholder loans and general corporate purposes.

In May 2026, the Company repaid £14m of loan advances and £6m of loan interest to its majority shareholder/investor.

In July 2026, the Company completed a strategic investment for a 40% equity interest in Lorillion, a UK company providing battery development services across the defence, marine, aerospace and automotive sectors, specialising in the rapid development of bespoke battery systems for demanding and highly regulated applications. Building on an existing technical relationship between the two companies, the investment combines Lorillion's battery engineering expertise with the Company's advanced maritime platforms. The agreement will significantly advance UK technology, manufacturing capability and supply-chain resilience.

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:

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Ms C J Martin
Director

Date: 30/09/2026

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

Report on the audit of the financial statements

Opinion

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2025 and of the Group's and the Parent Company's loss and the Group's cash flows 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 2025 which comprise of the following:

Group	Parent Company
Consolidated Statement of Comprehensive Income	Statement of Comprehensive Income
Consolidated Statement of Financial Position	Statement of Financial Position
Consolidated Statement of Changes in Equity	Statement of Changes in Equity
Consolidated Statement of Cash Flows	
Notes 1 to 30 to the financial statement 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. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group and the Parent Company's ability to continue as a going concern.

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

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; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

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

In preparing the financial statements, the Directors are responsible for assessing the 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 or 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. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Parent Company and management.

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 is 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 employment law and the health and safety legislation.

Our procedures in respect of the above included:

- Enquiries of management whether there has been any litigations and claims;
- Review of minutes of meetings of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory and 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:

- Enquiries 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;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- Considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these.

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;
- Testing a sample of the residual population of journals not meeting the defined risk criteria by agreeing to supporting documentation; and
- Assessing significant estimates made by management for bias including the capitalisation of development costs.

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 Parent 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, UK

Date: 30 September 2026

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 2025

	Note	2025 £	2024 £
Turnover	4	690,700	1,487,207
Cost of sales		(466,131)	(979,598)
Gross profit		224,569	507,609
Administrative expenses		(13,038,573)	(10,027,232)
Other operating income	5	-	82,480
Operating loss	6	(12,814,004)	(9,437,143)
Interest receivable and similar income	9	30,696	26,026
Interest payable and similar expenses	10	(4,746,585)	(2,042,871)
Loss before taxation		(17,529,893)	(11,453,988)
Tax on loss	11	47,635	1,171,017
Total comprehensive loss for the financial year		(17,482,258)	(10,282,971)
Loss for the year attributable to:			
Owners of the Parent Company		(17,482,258)	(10,282,971)

The results stated above are derived from continuing activities.

There was no other comprehensive income for 2025 (2024 - £Nil).

The notes on pages 18 to 38 form part of these financial statements.

Subsea Craft Limited

Company Statement of Comprehensive Income
For the Year Ended 31 December 2025

	Note	2025 £	2024 £
Turnover	4	690,700	1,487,207
Cost of sales		(466,131)	(979,598)
Gross profit		224,569	507,609
Administrative expenses		(13,016,548)	(10,027,232)
Other operating income	5	-	82,480
Operating loss	6	(12,791,979)	(9,437,143)
Interest receivable and similar income	9	30,696	26,026
Interest payable and similar expenses	10	(4,746,585)	(2,042,871)
Loss before taxation		(17,507,868)	(11,453,988)
Tax on loss	11	47,635	1,171,017
Total comprehensive loss for the financial year		(17,460,233)	(10,282,971)

The results stated above are derived from continuing activities.

There was no other comprehensive income for 2025 (2024 - £Nil).

The notes on pages 18 to 38 form part of these financial statements.

Subsea Craft Limited
Registered number: 08930367

Consolidated Statement of Financial Position
As at 31 December 2025

	Note		2025 £		2024 £
Fixed assets					
Intangible assets	12		21,714,832		6,937,324
Tangible assets	13		1,415,799		1,031,415
			23,130,631		7,968,739
Current assets					
Stocks	15	1,126,814		150,801	
Debtors: amounts falling due within one year	16	4,997,085		3,951,611	
Cash and cash equivalents	17	2,050,147		1,807,765	
		8,174,046		5,910,177	
Current liabilities					
Creditors: amounts falling due within one year	18	(11,960,996)		(6,701,946)	
Net current liabilities			(3,786,950)		(791,769)
Total assets less current liabilities			19,343,681		7,176,970
Creditors: amounts falling due after more than one year	19		(83,410,836)		(53,765,000)
Net liabilities			(64,067,155)		(46,588,030)
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		22,543		19,410
Accumulated losses	21		(64,339,766)		(46,857,508)
Total equity			(64,067,155)		(46,588,030)

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: 30/09/2026

The notes on pages 18 to 38 form part of these financial statements.

Subsea Craft Limited

Registered number: 08930367

Company Statement of Financial Position
As at 31 December 2025

	Note		2025 £		2024 £
Fixed assets					
Intangible assets	12		21,714,832		6,937,324
Tangible assets	13		1,415,799		1,031,415
Investments	14		151		65
			23,130,782		7,968,804
Current assets					
Stocks	15	1,126,814		150,801	
Debtors: amounts falling due within one year	16	5,018,959		4,605,025	
Cash at bank and in hand	17	2,050,147		1,807,765	
		8,195,920		6,563,591	
Current liabilities					
Creditors: amounts falling due within one year	18	(11,960,996)		(7,355,425)	
Net current liabilities			(3,765,076)		(791,834)
Total assets less current liabilities			19,365,706		7,176,970
Creditors: amounts falling due after more than one year	19		(83,410,836)		(53,765,000)
Net liabilities			(64,045,130)		(46,588,030)
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		22,543		19,410
Accumulated losses	21		(64,317,741)		(46,857,508)
Total equity			(64,045,130)		(46,588,030)

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: 30/09/2026

The notes on pages 18 to 38 form part of these financial statements.

Subsea Craft Limited

Consolidated Statement of Changes in Equity
For the Year Ended 31 December 2025

	Called up share capital	Share premium account	Capital redemption reserve	Share-based payment reserve	Accumulated losses	Total equity
	£	£	£	£	£	£
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 1 January 2025	59	249,964	45	19,410	(46,857,508)	(46,588,030)
Comprehensive loss for the year						
Loss for the year	-	-	-	-	(17,482,258)	(17,482,258)
Share based payment credit	-	-	-	3,133	-	3,133
Total comprehensive loss for the year	-	-	-	3,133	(17,482,258)	(17,479,125)
At 31 December 2025	59	249,964	45	22,543	(64,339,766)	(64,067,155)

The notes on pages 18 to 38 form part of these financial statements.

Subsea Craft Limited

Company Statement of Changes in Equity
For the Year Ended 31 December 2025

	Called up share capital	Share premium account	Capital redemption reserve	Share-based payment reserve	Accumulated losses	Total equity
	£	£	£	£	£	£
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 1 January 2025	59	249,964	45	19,410	(46,857,508)	(46,588,030)
Comprehensive loss for the year						
Loss for the year	-	-	-	-	(17,460,233)	(17,460,233)
Share based payment credit	-	-	-	3,133	-	3,133
Total comprehensive loss for the year	-	-	-	3,133	(17,460,233)	(17,457,100)
At 31 December 2025	59	249,964	45	22,543	(64,317,741)	(64,045,130)

The notes on pages 18 to 38 form part of these financial statements.

Subsea Craft Limited

Consolidated Statement of Cash Flows
For the Year Ended 31 December 2025

	Note	2025 £	2024 £
Cash flows from operating activities			
Loss for the financial year		(17,529,893)	(11,453,988)
Adjustments for:			
Amortisation of intangible assets	12	197,986	103,947
Depreciation of tangible assets	13	429,153	292,715
Impairments of fixed assets	12	427,532	632,523
Gain on disposal of tangible assets	6	-	(7,457)
Interest receivable	9	(30,696)	(26,026)
Interest payable	10	4,746,585	2,042,871
Transfer to share based payment reserve	22	3,133	5,361
Increase in stocks	15	(976,013)	(150,801)
Increase in debtors	16	(866,792)	(1,277,746)
Increase in creditors		512,465	120,784
Corporation tax received		1,914,789	647,918
R&D RDEC credit	5	-	(24,006)
Net cash used in operating activities		(11,171,751)	(9,093,905)
Cash flows from investing activities			
Purchase of intangible assets	12	(15,403,026)	(6,448,060)
Purchases of property, plant and equipment	13	(813,537)	(696,255)
Proceeds from sale of equipment		-	74,747
Interest received	9	30,696	26,026
Net cash used in investing activities		(16,185,867)	(7,043,542)
Cash flows from financing activities			
Proceeds from borrowings	19	27,600,000	16,500,000
Net cash generated from financing activities		27,600,000	16,500,000
Net increase in cash and cash equivalents		242,382	362,553
Cash and cash equivalents at beginning of year		1,807,765	1,445,212
Cash and cash equivalents at the end of year		2,050,147	1,807,765
Cash and cash equivalents at the end of year comprise:			
Cash at bank and in hand	17	2,050,147	1,807,765

The notes on pages 18 to 38 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 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 Statement of Cash Flows or Net Debt Reconciliation has been presented for the Parent Company; and
- No disclosure has been given for the aggregate remuneration of the key management personnel of the Parent Company as their remuneration is included in the totals for the Group as a whole.

2. Accounting policies (continued)

2.4 *Amendments to FRS 102 not yet applied*

On 27 March 2024, the FRC issued amendments to FRS 102. The effective date for most amendments is accounting periods beginning on or after 1 January 2026, with earlier adoption permitted. The Company has chosen not to early adopt any of the amendments in these financial statements.

The Directors are aware of the amendments to FRS 102 which are effective in future periods. The Directors consider the most significant amendment to be the replacement of Section 20 Leases. The other changes are not currently expected to have a material impact on the Company. The new leasing requirements seek to provide greater consistency and alignment to the international accounting standards, i.e., IFRS 16. The Directors are currently assessing the impact of these amendments on the financial statements.

2.5 Going concern

Based on the Directors' forecasts and plans, taking into account existing cash and debt facilities, the Group and Company will continue to be reliant on the support of investors/lenders during 2026/2027.

In May 2026, the Company secured a revolving credit facility with J.P. MORGAN SE for up to £80m. The investors have pledged any additional support as may be required for a period of at least 12 months from the approval of these financial statements in order that the Company and Group can continue meeting liabilities as they fall due.

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

2.6 Foreign currency translation

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)

2.7 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.

2.8 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.9 Interest receivable and similar income

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

2.10 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.

2.11 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 other creditors 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)

2.12 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 balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.13 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. Research and Development Expenditure Credit ("RDEC") grants arising from this development work are included as deferred income from 2025 onwards and will be recognised as other operating income over the same periods as the associated assets are amortised.

Computer systems relate to the ERP system and are amortised over 5 years from the date on which the asset is available for use.

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)

2.14 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.

2.15 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.

2.16 Investments

In the Company's individual accounts, investments in subsidiaries are measured at cost less accumulated impairment.

2.17 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.

2.18 Debtors

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

2. Accounting policies (continued)

2.19 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.

2.20 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.

2.21 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 determined 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)

2.22 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:

- Tangible and Intangible assets (see notes 12 and 13)

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.

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.

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.

3. Judgements in applying accounting policies (continued)

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 licenses 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.

- 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 (2024 - £Nil) has been recognised due to insufficient certainty over the profits against which this can be recovered.

4. Turnover

Group and Company

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

	2025 £	2024 £
Design and development	690,700	1,487,207

An analysis of turnover by geographical market is given below:

	2025 £	2024 £
United Kingdom	683,448	1,487,207
Rest of the world	7,252	-
	690,700	1,487,207

5. Other operating income

Group and Company

	2025 £	2024 £
Net rents receivable	-	58,474
R&D credit	-	24,006
	-	82,480

6. Operating loss

Group and Company

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

	2025 £	2024 £
Share-based payment expense	3,133	5,361
Amortisation of intangible assets	197,986	103,947
Depreciation of tangible assets	429,153	292,715
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	50,820	49,000
Impairment of intangible assets	427,532	632,523
Gain on disposal of tangible assets	-	(7,457)

7. Employees

Group and Company

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

	2025 £	2024 £
Wages and salaries	9,435,889	6,221,177
Social security costs	1,256,742	758,849
Cost of defined contribution scheme	611,481	187,701
	11,304,112	7,167,727

7. Employees (continued)

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

	2025 No.	2024 No.
Director and senior management	10	10
Technical	61	36
Commercial	16	12
Operations	30	18
Administration	22	16
	139	92

8. Directors' remuneration

Group and Company

	2025 £	2024 £
Directors' emoluments	856,881	835,720
Company contributions to defined contribution pension schemes	34,113	10,417
	890,994	846,137

There were 5 (2024 - 4) Directors in the Company's defined contribution pension scheme.

The highest paid Director received emoluments of £268,244 (2024 - £258,123).

The value of the Company's contribution paid to defined contribution pension scheme in respect of the highest paid Director amounted to £10,364 (2024 - £3,455).

9. Interest receivable and similar income

Group and Company

	2025 £	2024 £
Bank interest receivable	30,423	21,953
Other interest receivable	273	4,073
	30,696	26,026

10. Interest payable and similar expenses

Group and Company

	2025 £	2024 £
Other loan interest payable	4,746,585	2,042,871

11. Taxation

Group and Company

	2025 £	2024 £
Corporation tax		
Current tax credit for the year	-	(1,109,987)
Adjustments in respect of previous periods	(47,635)	(61,030)
Total current tax	(47,635)	(1,171,017)

This is the first year that the Company is under the merged Research & Development ("R&D") tax regime. Under the R&D merged scheme, where qualifying development expenditure is capitalised, the associated credit is generally recognised as deferred income and released to the profit and loss account over the expected useful life of the related development asset. As no amortisation has been recognised on the capitalised development additions during the period, none of the credit has been recognised and the full balance of £2,045,836 remains deferred on the Statement of Financial Position.

11. Taxation (continued)

Factors affecting tax credit for the year

The tax assessed for the year is higher than (2024 - higher than) the standard rate of corporation tax in the UK of 25% (2024 - 25%). The differences are explained below:

	2025 £	2024 £
Loss on ordinary activities before tax	(17,529,893)	(11,453,988)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 25% (2024 - 25%)	(4,382,473)	(2,863,497)
Effects of:		
Expenses not deductible for tax purposes	1,198,417	514,978
Fixed asset differences	6,626	3,300
Adjustments to tax charge in respect of previous periods - corporation tax	(47,635)	(61,030)
Adjustments to tax charge in respect of previous periods - deferred tax	58,551	-
Surrender of tax losses for R&D tax credit refund	-	2,774,967
Additional deduction for R&D expenditure	-	(1,283,049)
R&D expenditure credits	631,431	2,001
Movement in deferred tax not recognised	2,998,907	850,925
R&D tax credit	-	(1,109,987)
Other permanent differences	-	375
Timing differences not recognised in the computation	(511,459)	-
Total tax credit	(47,635)	(1,171,017)

At 31 December 2025, the Group has available tax losses of approximately £53,196,387 (2024 - £28,860,946) to carry forward against profits of future periods. At a corporate tax rate of 25% (2024 - 25%), a deferred tax asset of £8,599,891 (2024 - £5,600,984) 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 other factors that may affect future tax charges.

12. Intangible assets

Group and Company

	Patents and licences £	Intellectual property £	Computer systems £	Total £
Cost				
At 1 January 2025	180,641	27,525,432	622,538	28,328,611
Additions	49,556	15,055,522	297,948	15,403,026
At 31 December 2025	230,197	42,580,954	920,486	43,731,637
Amortisation				
At 1 January 2025	-	21,287,340	103,947	21,391,287
Charge for the year	-	-	197,986	197,986
Impairment charge	-	427,532	-	427,532
At 31 December 2025	-	21,714,872	301,933	22,016,805
Net book value				
At 31 December 2025	230,197	20,866,082	618,553	21,714,832
At 31 December 2024	180,641	6,238,092	518,591	6,937,324

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

13. Tangible assets

Group and Company

	Short-term leasehold property improvements £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation						
At 1 January 2025	200,783	865,441	121,910	218,721	460,594	1,867,449
Additions	129,190	330,725	-	101,523	252,099	813,537
At 31 December 2025	329,973	1,196,166	121,910	320,244	712,693	2,680,986
Depreciation						
At 1 January 2025	116,417	218,041	42,851	94,864	363,861	836,034
Charge for the year	49,566	214,455	24,382	40,875	99,875	429,153
At 31 December 2025	165,983	432,496	67,233	135,739	463,736	1,265,187
Net book value						
At 31 December 2025	163,990	763,670	54,677	184,505	248,957	1,415,799
At 31 December 2024	84,366	647,400	79,059	123,857	96,733	1,031,415

14. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2025	65
Additions	86
At 31 December 2025	151

Subsidiary undertakings

The following were subsidiary undertakings 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%
Subsea Craft Europe SA	Mesogeion Avenue street, no. 396, 15341, Agia Paraskevi, Attica, Greece	Ordinary	100%

15. Stocks

Group and Company

	2025 £	2024 £
Raw materials and consumables	1,126,814	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 2025 £	Group 2024 £	Company 2025 £	Company 2024 £
Trade debtors	7,486	1,719	7,486	1,719
Amounts owed by group undertakings	-	-	21,874	653,414
Other debtors	1,489,039	430,530	1,489,039	430,530
Prepayments and accrued income	1,454,724	1,653,266	1,454,724	1,653,266
Tax receivable	2,045,836	1,866,096	2,045,836	1,866,096
	4,997,085	3,951,611	5,018,959	4,605,025

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

17. Cash and cash equivalents

Group and Company

	2025 £	2024 £
Cash at bank and in hand	2,050,147	1,807,765

18. Creditors: amounts falling due within one year

	Group 2025 £	Group 2024 £	Company 2025 £	Company 2024 £
Trade creditors	903,603	526,068	903,603	526,068
Social security and other taxes	412,068	330,665	412,068	330,665
Repurchase agreement liability	-	-	-	653,479
Other creditors	79,875	45,466	79,875	45,466
Accruals and deferred income	10,565,450	5,799,747	10,565,450	5,799,747
	11,960,996	6,701,946	11,960,996	7,355,425

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

Accruals and deferred income includes accrued interest on loans of £4,179,056 (2024 - £737,671) and accrued interest on preference shares of £6,010,536 (2024 - £4,705,336).

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

	Group 2025 £	Group 2024 £	Company 2025 £	Company 2024 £
Other loans - 2-5 years	65,050,000	37,450,000	65,050,000	37,450,000
Accruals and deferred income	2,045,836	-	2,045,836	-
Preference shares (see note 20)	16,315,000	16,315,000	16,315,000	16,315,000
	83,410,836	53,765,000	83,410,836	53,765,000

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. During the year a further £27.6m of loan facility has been advanced to the Parent Company.

Deferred income represents R&D tax credits (see note 11).

20. Called up share capital

Allotted, called up and fully paid

	2025 Number	2024 Number	2025 £	2024 £
Ordinary A shares of £0.01 each	**3,700**	3,700	**37.00**	37.00
Ordinary B shares of £0.01 each	**1,400**	1,375	**14.00**	13.75
Deferred shares of £0.01 each	**850**	825	**8.50**	8.25
	5,950	5,900	**59.50**	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

20. Called up share capital (continued)

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. The voting rights of the holders of the Ordinary A shares are restricted to 49%.

Deferred shares have no voting rights or any dividend rights.

On 15 January 2025, the Company issued 50 Ordinary B shares of £0.01 each at par value.

During the year the following shares were re-designated:

- On 14 April 2025, 75 Ordinary B shares were re-designated as 75 Deferred shares.
- On 23 October 2025, 75 Deferred shares were re-designated as 75 Ordinary B shares.
- On 22 December 2025, 25 Ordinary B shares were re-designated as 25 Deferred shares.

In addition, the Parent Company has in issue 16,315,000 (2024 - 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 accrue 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 (see note 19).

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 672 (2024 - 670), and 457 had fully vested (2024 - 421) 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 £3,133 (2024 - £5,361) with a corresponding increase in the share-based payment reserve.

23. Contingent liabilities

The Parent Company has agreements with third-party agents whereby commissions will become payable by the Parent Company based on vessel sales in certain jurisdictions. These agreements expire between one and five years, except for one which has an indefinite term.

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 £611,481 (2024 - £187,701). Contributions totalling £79,669 (2024 - £45,121) were payable to the fund at the reporting date and are included in creditors.

25. Commitments under operating leases

Group and Company

At 31 December 2025, the Group and Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2025 £	2024 £
Within one year	984,665	984,665
Between one and five years	2,461,486	3,408,198
	3,446,151	4,392,863

26. Directors' advances, credit and guarantees

	2025 £	2024 £
Group and Company		
As at 1 January	6,343	4,448
Amounts advanced	-	1,895
As at 31 December	6,343	6,343

All advances are interest free and repayable on demand.

27. Analysis of changes in net debt

	At 1 January 2025 £	Cash flows £	Other non-cash changes £	At 31 December 2025 £
Group				
Cash at bank and in hand	1,807,765	242,382	-	2,050,147
Debt due within one year	(5,443,007)	-	(4,746,585)	(10,189,592)
Debt due after one year	(53,765,000)	(27,600,000)	-	(81,365,000)
	(57,400,242)	(27,357,618)	(4,746,585)	(89,504,445)

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 £27.6m (2024 - £16.5m). At the year end, the aggregate loan advances totalled £65.05m (2024 - £37.45m) and are included in other loans falling due after more than one year. Interest accrued in the year on these loans amounted to £3,441,385 (2024 - £737,671).

29. Controlling party

There is no controlling party.

30. Subsequent events

In May 2026, the Company entered into a revolving credit facility with J.P. MORGAN SE for up to £80m, secured by a fixed charge over the assets of the Company, with an affiliated company of the majority shareholder acting as guarantor, for the purpose of refinancing existing shareholder loans and general corporate purposes.

In May 2026, the Company repaid £14m of loan advances and £6m of loan interest to its majority shareholder/investor.

In July 2026, the Company completed a strategic investment for a 40% equity interest in Lorillion, a UK company providing battery development services across the defence, marine, aerospace and automotive sectors, specialising in the rapid development of bespoke battery systems for demanding and highly regulated applications. Building on an existing technical relationship between the two companies, the investment combines Lorillion's battery engineering expertise with the Company's advanced maritime platforms. The agreement will significantly advance UK technology, manufacturing capability and supply-chain resilience.