Company registration number 01299452 (England and Wales)

SONARDYNE INTERNATIONAL LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

SONARDYNE INTERNATIONAL LIMITED

COMPANY INFORMATION

Directors	S C Partridge	
	G Brown	
	S J Fasham	
	D Newborough	
	S P Martin	
	S M Dunn	
	G J S Moynehan	(Appointed 4 March 2025)
Company number	01299452	
Registered office	Ocean House Blackbushe Business Park Saxony Way Yateley Hampshire GU46 6GD	
Auditor	Azets Audit Services Woolsack Way Godalming Surrey GU7 1LQ	

SONARDYNE INTERNATIONAL LIMITED

CONTENTS

SONARDYNE INTERNATIONAL LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2025

The directors present the strategic report for the year ended 31 December 2025.

Statement by the directors relating to their statutory duties under section 172(1) of the Companies Act 2006
The Directors, in line with their duties under s172 of the Companies Act 2006, act individually and collectively in the way they consider, in good faith, would be most likely to promote the success of the Company and its subsidiaries ('Company') for the benefit of its members, and in doing so have regard, amongst other matters, to the:

- Likely consequences of any decision in the long term
- Interests of the Company's employees
- Need to foster the Company's business relationships with suppliers, customers and others
- Impact of the Company's operations on the community and the environment
- Desirability of the Company maintaining a reputation for high standards of business conduct
- Need to act fairly between members of the Company

The Directors' regard to these matters forms an integral part of day to day business. Decisions are taken in line with the policies, processes and culture embedded within the Company and shaped by the Company's governance framework, strategy, culture, information sharing and stakeholder engagement processes.

Achieving success in the long term lies at the core of our business strategy. Success is considered in terms of key stakeholders and where their interests lie. Opportunities for growth and diversification are a central theme and risks that threaten the achievement of such opportunities are identified and monitored. The Company has established a clear framework for strategic development looking forward for at least five years.

The Board promotes a strong culture of upholding the highest standards of business conduct and regulatory conduct. Ethical values are communicated to the Company's employees and embedded in the Company's policies and procedures, employee induction and training programmes and its risk control and oversight framework.

The Board recognises that respectful stakeholder relationships are vital to the long-term success of the business and that positive engagement can help enhance the operations and success of the Company.

The Directors are supported in the discharge of their duties by:

- Agenda planning for Boards and Committee meetings to provide sufficient time for the consideration and discussion of key matters.
- Proportionate and focused board reporting processes with clear identification of decisions required to be taken by the Board.
- Processes which ensure the provision of timely management information and escalation through reporting lines to the Board, and onward to the parent Company and shareholders, from the Company's business areas, its risk and control functions, support teams and committees of the Board.
- Strict operation of reserved matter processes ensuring decisions are taken by the appropriate Board within the Company.
- Detailed induction process on commencement of employment enabling a thorough introduction to the Company.

Stakeholders

The Board understands the importance of engagement with all its stakeholders and gives appropriate weighting to the outcome of its decisions for the relevant stakeholder in considering how best to promote the success of the Company.

The Board regularly discusses issues concerning employees, clients, suppliers, community and environment and its shareholders, which it takes into account in its discussions and in its decision-making process. An annual Stakeholder Analysis review is conducted as part of the preparation for reviewing the five year strategic framework.

In addition to this, the Board seeks to understand the interests and views of the Company's stakeholders by engaging with them directly when required.

The below summarises the key stakeholders and how we engage with each:

Stakeholders	Engagement
Employees	It is of vital importance that our employees consider the Company to be an engaging and rewarding place to work. We have a friendly and collaborative working culture where employees are encouraged to have a voice and use their creativity and drive. We consult with staff in a manner that fits with good practice in the jurisdictions in which we operate and according to the size of the trading company. We regularly monitor the range of pay and benefits across the Company to ensure they remain attractive and have a wide range of employee benefits to offer including a number of wellbeing initiatives. We engage in active performance management with our employees including establishing clear objectives for staff and using objective appraisal methods. We invest in all our employees by providing Company-wide training on compliance matters such as data protection and anti-bribery as well as individual skills and experience-based training. This is in addition to specific job training which is also encouraged. Regular Company presentations are delivered where updates are provided to employees and opportunities given for employees to ask questions and similar updates are delivered by the parent company focussing on wider group performance. A newsletter is circulated to all employees which includes details of recent sales activities and other business matters but also includes more informal features such as profiles of individual employees and social activities to improve collective engagement across the business. An employee forum, created several years ago, provides another avenue through which employees can raise ideas, provide feedback and ask questions via nominated representatives. We also conduct regular staff surveys looking at engagement and improvement. We provide funding for employees for endeavours which allow a number of sporting and social activities to be enjoyed by interested employees and in some jurisdictions operate a matching fund to support them in charitable endeavours.

SONARDYNE INTERNATIONAL LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

Customers	Building and maintaining strong relationships with our customers is a top priority. The nature of our business is that we can help solve our customers' technical challenges and make opportunities become realities. We communicate regularly with our customers and support that communication with know-how, guidance and training, both virtually and in person. In addition to direct visits, we also attend trade shows and exhibitions providing face to face contact with customers. We work with other group operating companies, where synergies exist, to provide a cohesive approach to helping our customers. We use customer feedback to improve the services we can provide. This includes, for example, our regular customer engagement surveys which determine the Net Promotor Score of the Company. The results are monitored by the Senior Management Team on behalf of the Board and any anomalies are brought to the attention of the Board in order that the findings can help improve customer engagement. We continue to look for innovative solutions that not only improve the quality and efficiency of the service we provide to customers but also make it easier and more cost-effective for customers to deal with us.
Suppliers	Our governance framework includes policies and processes aimed at fostering strong supplier relationships. We are clear on our expectations of suppliers as set out in our Supplier Code of Conduct. Due diligence is undertaken prior to appointing new suppliers and information is gathered to assess their suitability such as their anti-bribery and corruption practices, modern slavery policies and conflict minerals risk. Throughout 2025, the Company engaged proactively with suppliers through surveys and collaboration sessions, aimed at fostering enhanced and enduring partnerships for future growth. We ensure that suppliers are paid in a timely manner in accordance with our obligations.

SONARDYNE INTERNATIONAL LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

Community & Environment	The Board's approach to community and the environment continues to be vitally important. We continue to take measures to reduce the Company's carbon footprint. The effective use of technology, where feasible and appropriate, has allowed the business to control air travel and manage its effect on the Company's carbon emissions. Solar arrays at the Company's headquarters continue to supply one third of the site's total electricity consumption and improvements are continually being made to optimise the effectiveness of the power supply and distribution. Not only does the Board assess opportunities to increase the generation of renewable energy by the Company, but it also considers energy efficiency in its other investment decisions in an effort to help reduce the Company's total energy consumption. The Company has fully assessed its Scope 1, 2 and 3 emissions, and has offset all those applicable to the UK and international subsidiary entity operations for 2025 and are committed to doing so for 2026. The Company received the King's Award for Sustainable Development 2025 as a result of its actions on energy and sustainability. We continue to support the activities of the management company for the business park on which the HQ is situated, which continues to work with the local Council in order to seek benefits for the local business community. The Board continues to commit and broaden the Company's work and associations with educational establishments including on-going collaborative projects with the University of Edinburgh, Heriot Watt University, University of Southampton, Newcastle University, University of Plymouth and Fraunhofer Institute. Research relationships are also developing with University of Warwick, University of Birmingham and University of Manchester.
Shareholders	We provide regular reports to, and hold regular meetings with, our parent company which, in turn, feed into regular discussions and briefings with the group's shareholders. This ensures decisions are made at the appropriate level and that we incorporate the interests and needs of our shareholders into our long-term business planning.

Review of the business
Turnover for the year was £89.8m compared to £78.7m in 2024. Pre tax profit for the year was £25.6m compared to £22.9m for the previous year.

Significant revenue growth has been achieved by the Company again this year, recording a 14% increase over 2024 which was itself a 16% increase over the year before that. Order intake in 2024 was bolstered by a particularly large order for the oil and gas sector which was not expected to be repeated. Order intake in 2025 has increased by 28% over the prior year if this exceptional order value is removed. The Company enters 2026 with an order book value in excess of 50% of budgeted revenues for the year. Effective supply chain and tariff risk management have been critical in enabling the Company to hold gross profit margins at the same level as last year, despite ongoing instability across global trade routes, input cost volatility and shifting regulatory environments. This in turn demonstrates the Company's resilience in a challenging trading environment and the agility of its operating model. Pre-tax profits remain at 29% of turnover for the second year running and exceed budget by 15%.

Once again, the outlook for the coming year is positive. While political uncertainties and global economic headwinds persist, the Company is strongly positioned to seize opportunities across its core and emerging sectors, underpinned by a clear strategy and robust risk management to mitigate potential disruptions and deliver sustained value. The Board of Directors remains optimistic for the future.

Principal Risks and Uncertainties
All activities of the Company are controlled by the Board which meets regularly to review the performance of the Company. The Board reviews the principal risks to the business and where it is deemed appropriate, puts in place ways to mitigate those risks.

A detailed annual budget is prepared and approved by the Board at the beginning of each financial year.
A financial reporting package is produced monthly. This includes dashboards and detailed accounts which show actual performance compared to budget. A rolling twelve-month forecast is produced quarterly to provide insight into the longer-term outlook for the business.

Cash and debtors are monitored daily.

Principal risks and uncertainties include:

- Instability brought about by ongoing conflicts and wars along with heightened political uncertainty impacting the willingness of customers in core markets to commit to future capital projects
- The ongoing threat of trade barriers resulting from the use of tariffs in the US which continue to hamper negotiations within global supply chains
- The volatility of the UK pound against other international currencies
- The alignment of risk in negotiated contract terms with the available rewards
- The scarcity of skilled engineering professionals in the job market

The Company's policies to mitigate these risks include diversification into other market areas and geographies, supply chain management, strong treasury management to minimise exchange risks, effective contract negotiation procedures, year on year investment in new products and a total commitment to making the company a great place to work in order to attract and retain talent.

Information relating to financial risk management, objectives and policies, exposure to price risk, credit risk, liquidity risk and cash flow risk are all disclosed within the Covelya Group Limited consolidated accounts strategic report.

Key Performance Indicators
Key performance indicators are used throughout the business. In the monthly management accounts these include measures and comparatives for employee numbers, capital expenditure, order intake, sales turnover, gross margins, pre-tax profit, order bank, cash and debtors.

Normalising the 2024 value for the exceptional contract won in-year, order intake has increased by 28% in 2025
Turnover has increased by 14% compared to the prior year
Staff numbers have increased compared to the prior year
The company has continued to maintain a very strong balance sheet

Employees
Details of the average number of employees and related costs can be found in note 6 to the financial statements. Applications for employment by disabled persons are always fully considered. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

The Company keeps employees informed on matters relevant to them as employees through regular meetings and newsletters. Senior management meet regularly with a committee of staff representatives to discuss issues raised by employees and to consult on a range of matters affecting employees' interests. In addition to this, updates are also provided to all staff on the parent group's performance along with the future plans for the Company.

SONARDYNE INTERNATIONAL LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

Streamlined Energy and Carbon Reporting
Overall, our total energy consumption remained relatively stable. The continuation of grid decarbonisation, together with the procurement of 100% renewable electricity and renewable "Green Gas" supported a reduction in our gross carbon emissions and our continued achievement of carbon neutrality in 2024 and 2025.

Net emissions in 2025 were impacted by increased fuel use for transport and higher levels of business travel during the year; however, emissions intensity per employee remained broadly stable, reflecting organisational growth alongside effective energy management.

Figures are as follows, based on the calendar year:

	2025	2024
Energy consumption		
Aggregate of UK energy consumption in the year	**kWh**	**kWh**
- Gas combustion	53,052	153,270
- Fuel consumed for transport	194,241	181,856
- Electricity purchased	1,140,935	1,349,655
	1,388,228	**1,684,781**
Emissions of CO2 equivalent	**Metric Tonnes**	**Metric Tonnes**
Scope 1 - direct emissions		
- Gas combustion	9.71	28.03
- Fuel consumed for owned transport	48.65	45.63
	58.36	**73.66**
Scope 2 - indirect emissions		
- Electricity purchased	**201.95**	**279.45**
Scope 3 - other indirect emissions		
- Business travel	**13.48**	**7.68**
Associated Greenhouse net gas emissions (Tonnes CO2e)	**62.13**	**53.31**
Intensity ratio (Net Tonnes CO2e per employee)	**0.13**	**0.14**

The following principles were used in compiling the figures:

Organisational boundary	*A financial control approach has been taken.*
Intensity measurement	*We have chosen net emissions in tonnes of CO2e per employee as our intensity metric.*
Renewable energy offset	*100% renewable electricity was procured for the whole of 2025. Renewable "Green" Gas was also procured throughout 2025. To account for this, conversion factors have been applied across 12 months to determine gross emissions, prior to applying a renewable energy offset to calculate net emissions.*

On behalf of the board

DocuSigned by:

Graham Brown

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G Brown

Director

18 March 2026 | 11:25:45 GMT

....

Date

SONARDYNE INTERNATIONAL LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2025

The directors present their annual report and financial statements for the year ended 31 December 2025.

Principal activities
The principal activity of the Company continued to be that of the design, manufacture and supply of electronic and mechanical instruments for the offshore energy, ocean science and maritime security and defence markets.

Directors
The directors who held office during the year and up to the date of signature of the financial statements were as follows:

S C Partridge	
G Brown	
S J Fasham	
D Newborough	
S P Martin	
S M Dunn	
G J S Moynehan	(Appointed 4 March 2025)

Results and dividends
The results for the year are set out on page 13.

During the year, ordinary dividends totalling £7,500,000 were paid to the shareholder. Subsequent to the year end, a final dividend of £7,000,000 was proposed and paid.

Political and charitable donations
It is the Company policy not to make political donations.

During the year the Company made charitable donations totalling £20,235 (2024 - £28,870).

Statement of directors' responsibilities
The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law 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 of the profit or loss of the company 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

SONARDYNE INTERNATIONAL LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

Provision of information under S414C(11)
The Company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the Company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report.

Statement of disclosure to auditor
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the Company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the Company's auditor is aware of that information.

On behalf of the board

DocuSigned by:

Graham Brown

FC8BB21893D049E...

G Brown
Director

Date: 18 March 2026 | 11:25:45 GMT

SONARDYNE INTERNATIONAL LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF SONARDYNE INTERNATIONAL LIMITED

Opinion

We have audited the financial statements of Sonardyne International Limited (the 'Company') for the year ended 31 December 2025 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including 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).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2025 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 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 information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities 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.

Extent to which the audit was considered capable of detecting irregularities, including fraud
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the Company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Use of our report
This report is made solely to the Company's member 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 member those matters we are required to state to the member in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's member, for our audit work, for this report, or for the opinions we have formed.

Azets Audit Services

Paul Creasey (Senior Statutory Auditor)
For and on behalf of Azets Audit Services, Statutory Auditor
Chartered Accountants

Date: 19 March 2026

Ashcombe Court
Woolsack Way
Godalming
Surrey
GU7 1LQ

SONARDYNE INTERNATIONAL LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	2025 £	2024 £
Turnover	3	89,843,761	78,723,826
Cost of sales		(32,490,004)	(27,325,489)
Gross profit		57,353,757	51,398,337
Administrative expenses		(35,303,218)	(29,909,024)
Other operating income		1,143,033	796,928
Operating profit	4	23,193,572	22,286,241
Interest receivable and similar income	8	2,437,543	660,169
Interest payable and similar expenses	9	(63,735)	(2,650)
Profit before taxation		25,567,380	22,943,760
Tax on profit	10	(5,026,691)	(4,893,081)
Profit for the financial year		20,540,689	18,050,679

The Statement of Comprehensive Income has been prepared on the basis that all operations are continuing operations.

The notes on pages 16 to 34 form part of these financial statements.

SONARDYNE INTERNATIONAL LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2025

	Notes	2025 £	2025 £	2024 £	2024 £
Fixed assets					
Intangible assets	12		-		1,666,667
Tangible assets	13		10,834,581		10,146,327
Investments	14		133,628		112,620
			10,968,209		11,925,614
Current assets					
Stocks	17	22,678,305		24,081,915	
Debtors	18	22,758,913		23,655,732	
Cash at bank and in hand		27,366,801		16,739,494	
		72,804,019		64,477,141	
Creditors: amounts falling due within one year	19	(18,127,123)		(25,195,022)	
Net current assets			54,676,896		39,282,119
Total assets less current liabilities			65,645,105		51,207,733
Provisions for liabilities					
Provisions	20	1,545,039		354,000	
Deferred tax liability	21	898,691		693,047	
			(2,443,730)		(1,047,047)
Net assets			63,201,375		50,160,686
Capital and reserves					
Called up share capital	23		12,286,362		12,286,362
Profit and loss reserves			50,915,013		37,874,324
Total equity			63,201,375		50,160,686

The notes on pages 16 to 34 form part of these financial statements.

18 March 2026 | 11:25:45 GMT

The financial statements were approved by the board of directors and authorised for issue on .... and are signed on its behalf by:

DocuSigned by:
Graham Brown
FC8BB21833D840E...

G Brown
Director

Company Registration No. 01299452

SONARDYNE INTERNATIONAL LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 January 2024		12,286,362	29,323,645	41,610,007
Year ended 31 December 2024:				
Profit and total comprehensive income for the year		-	18,050,679	18,050,679
Dividends	11	-	(9,500,000)	(9,500,000)
Balance at 31 December 2024		12,286,362	37,874,324	50,160,686
Year ended 31 December 2025:				
Profit and total comprehensive income for the year		-	20,540,689	20,540,689
Dividends	11	-	(7,500,000)	(7,500,000)
Balance at 31 December 2025		12,286,362	50,915,013	63,201,375

The notes on pages 16 to 34 form part of these financial statements.

1 Accounting policies

Company information

Sonardyne International Limited is a private company limited by shares incorporated in England and Wales. The registered office is Ocean House, Blackbushe Business Park, Saxony Way, Yateley, Hampshire, GU46 6GD.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

Exemptions for qualifying entities under FRS102

This Company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this Company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group. The Company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The Company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the Company as an individual entity and not about its Group.

Sonardyne International Limited is a wholly owned subsidiary of Covelya Group Limited and the results of Sonardyne International Limited are included in the consolidated financial statements of Covelya Group Limited which are available from Ocean House, Blackbushe Business Park, Saxony Way, Yateley, Hampshire, GU46 6GD.

Related party exemption

The Company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

SONARDYNE INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

1 Accounting policies **(Continued)**

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue in respect of equipment and systems sales is recognised when goods have been despatched to the customer in accordance with the sales agreement. Maintenance and repair services are invoiced at the completion of the servicing work carried out.

The Company has a number of short term sales contracts. Sales are recognised on the delivery of a definable element of the contract. The income is treated as deferred until the corresponding goods or services are deemed to have been delivered in accordance with the contract. The income, costs and profit are then released to the statement of comprehensive income.

Long term service contracts are recognised on a stage of completion basis, calculated as the proportion of total contract costs incurred to date compared to estimated total contract costs. Turnover represents the value of work performed during the year.

1.4 Research and development expenditure

Research and development expenditure is written off against profits in the year in which it is incurred.

1.5 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Patents & licences	Over the life of the licence

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold property and Leasehold improvements	2% straight line
Plant and equipment	15% and 25% straight line
Fixtures and fittings	25% straight line
Motor vehicles	25% straight line
Boats and instruments	25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

SONARDYNE INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

1 Accounting policies **(Continued)**

1.7 Fixed asset investments

Interests in subsidiaries and associates held as fixed assets are shown at cost less provision for permanent impairment.

A subsidiary is an entity controlled by the Company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the Company holds a long-term interest and where the Company has significant influence. The Company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

1.8 Impairment of fixed assets

At each reporting period end date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.9 Stocks

Stock and work in progress are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.The proportion of overheads which is capitalised is dependent on the stage of completion.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.10 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash at banks and in hand, other short-term liquid investments with original maturities of three months or less.

1 Accounting policies **(Continued)**

1.11 Financial instruments

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Company's balance sheet when the Company becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

SONARDYNE INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

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1 Accounting policies **(Continued)**

Basic financial liabilities
Basic financial liabilities, including creditors and loans from fellow group companies are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities
Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Derecognition of financial liabilities
Financial liabilities are derecognised when the Company's contractual obligations expire or are discharged or cancelled.

1.12 Equity instruments
Equity instruments issued by the Company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer payable at the discretion of the Company.

1.13 Derivatives
The Company uses forward foreign currency contracts to reduce exposure to foreign exchange rates.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in the profit and loss account immediately.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

1.14 Taxation
The tax expense represents the sum of the tax currently payable and deferred tax movement.

Current tax
The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

1 Accounting policies **(Continued)**

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the Company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.15 Provisions

Provisions are recognised when the Company has a legal or constructive present obligation as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

1.16 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.17 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.18 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.19 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

SONARDYNE INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

1 Accounting policies **(Continued)**

1.20 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Warranty provision

Warranties are offered on all products supplied. The repair costs, which include material and labour costs associated with warranty work are recognised as the repair work is undertaken. Provision is made at the year end for estimated warranty work required to be undertaken.

Stock provision

The provision for slow moving and obsolete stock is made based on the number of years' usage held, with the provision staggered across the years. Consignment stock is provided for based on the date of last use, with any item not used in the last 12 months being provided for in full. Obsolete stock is fully provided for.

3 Turnover and other revenue

The turnover and profit before taxation are attributable to the one principal activity of the Company.

An analysis of the Company's turnover is as follows:

	2025	2024
	£	£
Turnover analysed by class of business		
Goods	81,143,693	71,528,043
Other	8,700,068	7,195,783
	89,843,761	78,723,826

SONARDYNE INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

3 Turnover and other revenue (Continued)

	2025	2024
	£	£
Turnover analysed by geographical market		
United Kingdom	29,636,186	27,814,318
European Union	7,010,038	10,276,382
Asia	6,618,840	10,976,645
Americas	11,488,533	20,222,723
Rest of the World	35,090,164	9,433,758
	89,843,761	78,723,826

4 Operating profit

	2025	2024
Operating profit for the year is stated after charging/(crediting):	£	£
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	581,807	(445,908)
Research and development costs	3,092,491	2,912,319
Government grants	(201,139)	(214,464)
Depreciation of owned tangible fixed assets	2,133,876	1,714,458
Loss on disposal of tangible fixed assets	22,550	10,379
Amortisation of intangible assets	1,666,667	333,333
Operating lease charges	487,413	341,156

5 Auditor's remuneration

	2025	2024
Fees payable to the Company's auditor and associates:	£	£
For audit services		
Audit of the financial statements of the Company	45,000	33,120
For other services		
Other assurance services	-	12,200
Taxation compliance services	12,450	13,305
	12,450	25,505

6 Employees

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

	2025 Number	2024 Number
Technical	262	240
Administrative	126	113
Total	388	353

Their aggregate remuneration comprised:

	2025 £	2024 £
Wages and salaries	22,450,889	19,991,911
Social security costs	2,879,891	2,336,031
Pension costs	2,965,212	2,159,009
	28,295,992	24,486,951

7 Directors' remuneration

	2025 £	2024 £
Remuneration for qualifying services	916,487	878,478
Company pension contributions to defined contribution schemes	258,597	216,119
	1,175,084	1,094,597

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 4 (2024 - 5).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2025 £	2024 £
Remuneration for qualifying services	316,264	255,284

8 Interest receivable and similar income

	2025	2024
	£	£
Interest income		
Interest on bank deposits	166,037	63,344
Interest receivable from group companies	89,703	-
Total interest revenue	255,740	63,344
Income from fixed asset investments		
Dividends received	2,181,803	596,825
Total income	2,437,543	660,169

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	255,740	63,344

9 Interest payable and similar expenses

	2025	2024
	£	£
Interest on financial liabilities measured at amortised cost:		
Other interest on financial liabilities	30	2,650
Other finance costs:		
Other interest	63,705	-
	63,735	2,650

10 Taxation

	2025	2024
	£	£
Current tax		
UK corporation tax on profits for the current period	4,957,454	4,936,768
Adjustments in respect of prior periods	(122,049)	(5,553)
Total UK current tax	4,835,405	4,931,215
Foreign current tax on profits for the current period	47,265	-
Adjustments in foreign tax in respect of prior periods	47,265	-
Total current tax	4,929,935	4,931,215

SONARDYNE INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

10 Taxation (Continued)

	2025	2024
	£	£
Deferred tax		
Origination and reversal of timing differences	84,024	(38,134)
Adjustment in respect of prior periods	12,732	-
Total deferred tax	96,756	(38,134)
Total tax charge	5,026,691	4,893,081

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

	2025	2024
	£	£
Profit before taxation	25,567,380	22,943,760
Expected tax charge based on the standard rate of corporation tax in the UK of 25.00% (2024: 25.00%)	6,391,845	5,735,940
Tax effect of expenses that are not deductible in determining taxable profit	240,108	7,347
Tax effect of income not taxable in determining taxable profit	(711,306)	(145,821)
Double tax relief	(52,924)	(47,160)
Permanent capital allowances in excess of depreciation	(194,158)	(104,274)
Other non-reversing timing differences	108,889	223,830
Under/(over) provided in prior years	(122,049)	(5,553)
Patent box relief	(825,000)	(733,094)
Deferred tax	96,756	(38,134)
Foreign tax	94,530	-
Taxation charge for the year	5,026,691	4,893,081

The current year research and development tax credit reflects a claim under the RDEC scheme, with benefits of £618,498 (2024 - £582,464) recognised through Other operating income within the Statement of Comprehensive Income.

11 Dividends

	2025	2024
	£	£
Final paid	7,500,000	-
Interim paid	-	9,500,000
	7,500,000	9,500,000

SONARDYNE INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

11 Dividends (Continued)

A final dividend in respect of 2025 of £7,000,000 was declared and paid after the end of the year. This dividend was not recognised as a liability at the balance sheet date in accordance with FRS 102.

12 Intangible fixed assets

	Patents & licences
	£
Cost	
At 1 January 2025 and 31 December 2025	2,000,000
Amortisation and impairment	
At 1 January 2025	333,333
Amortisation charged for the year	1,666,667
At 31 December 2025	2,000,000
Carrying amount	
At 31 December 2025	-
At 31 December 2024	1,666,667

13 Tangible fixed assets

	Freehold property and Leasehold improvements	Plant and equipment	Fixtures and fittings	Motor vehicles	Boats and instruments	Total
	£	£	£	£	£	£
Cost						
At 1 January 2025	6,826,359	11,379,460	4,654,848	143,933	5,344,062	28,348,662
Additions	138,087	1,740,009	533,649	103,923	540,656	3,056,324
Disposals	-	(506,549)	(250,537)	-	(98,074)	(855,160)
At 31 December 2025	6,964,446	12,612,920	4,937,960	247,856	5,786,644	30,549,826
Depreciation and impairment						
At 1 January 2025	1,744,424	8,231,189	3,697,661	122,547	4,406,514	18,202,335
Depreciation charged in the year	102,526	1,078,979	451,561	29,038	471,772	2,133,876
Eliminated in respect of disposals	-	(337,948)	(244,465)	-	(38,553)	(620,966)
At 31 December 2025	1,846,950	8,972,220	3,904,757	151,585	4,839,733	19,715,245
Carrying amount						
At 31 December 2025	5,117,496	3,640,700	1,033,203	96,271	946,911	10,834,581
At 31 December 2024	5,081,935	3,148,271	957,187	21,386	937,548	10,146,327

14 Fixed asset investments

	Notes	2025	2024
		£	£
Investments in subsidiaries	15	48,003	26,995
Investments in associates	16	85,625	85,625
		133,628	112,620

14 Fixed asset investments **(Continued)**

Movements in fixed asset investments

	Shares in subsidiaries and associates £
Cost or valuation	
At 1 January 2025	112,620
Additions	21,008
At 31 December 2025	133,628
Carrying amount	
At 31 December 2025	133,628
At 31 December 2024	112,620

15 Subsidiaries

Details of the Company's subsidiaries at 31 December 2025 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct	Indirect
Sonardyne Inc.	8280 Willow Place Drive North, Suite 130, Houston, Texas, 77070 USA	Retail of electronic and mechanical equipment	Ordinary	100.00	-
Sonardyne Asia PTE Limited	23F Loyang Crescent, 602 Loyang Offshore Supply Base, Singapore, 509022	Retail of electronic and mechanical equipment	Ordinary	100.00	-
Sonardyne Overseas Holdings Limited	Ocean House, Blackbushe Business Park, Saxony Way, Yateley, GU46 6GD	Holding company	Ordinary	100.00	-
Sonardyne Brazil Limited	Ocean House, Blackbushe Business Park, Saxony Way, Yateley, GU46 6GD	Holding company	Ordinary	-	100.00
Sonardyne Brasil Limitada	Av. Zen Lotes 05 E 06 Quadra D Zen, Rio Das Ostras, RJ Cep 28890-000, Brasil	Retail of electronic and mechanical equipment	Ordinary	-	100.00
Sonardyne GmbH	Colonnaden 104 20354, Hamburg, Germany	Underwater innovations for engery, defence and science	Ordinary	100.00	-

SONARDYNE INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

16 Associates

Details of the Company's associates at 31 December 2025 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
Lumasys Inc.	97 Water Street, PO Box 613, Woods Hole, MA 02543 USA	Subsea optical communication solutions	Ordinary	34.00

17 Stocks

	2025 £	2024 £
Raw materials and consumables	15,565,057	16,839,193
Work in progress	6,326,933	6,391,669
Finished goods and goods for resale	786,315	851,053
	22,678,305	24,081,915

Consignment stock of £1,014,417 (2024 - £912,618) is held in the balance sheet at the year end. The items are held by sales partners both overseas and in the UK. No deposit is held in relation to the items and all risks and rewards of the stock remain with the Company.

The difference between the purchase price or production cost of stocks and their replacement cost is not material.

18 Debtors

Amounts falling due within one year:	2025 £	2024 £
Trade debtors	6,738,713	13,055,383
Corporation tax recoverable	897,218	-
Amounts owed by group undertakings	4,661,698	8,229,732
Other debtors	35,174	203,946
Prepayments and accrued income	4,295,601	1,838,384
	16,628,404	23,327,445
Deferred tax asset (note 21)	200,340	200,339
	16,828,744	23,527,784

18 Debtors (Continued)

Amounts falling due after more than one year:	**2025 £**	**2024 £**
Amounts owed by group undertakings	5,693,333	-
Deferred tax asset (note 21)	236,836	127,948
	5,930,169	127,948
Total debtors	22,758,913	23,655,732

19 Creditors: amounts falling due within one year

	2025 £	**2024 £**
Trade creditors	1,118,003	2,054,116
Amounts owed to group undertakings	1,693,483	2,514,372
Corporation tax	-	1,582,058
Other taxation and social security	902,488	950,204
Deferred income	7,710,966	10,188,258
Other creditors	1,469	4,349
Accruals	6,700,714	7,901,665
	18,127,123	25,195,022

Included in Trade creditors is an amount of £397,383 (2024 - £442,357) which relates to customer deposits.

As at 31 December 2025 Sonardyne International Limited has an overdraft facility of £2,000,000 secured via fixed and floating charges over its assets.

20 Provisions for liabilities

	2025 £	**2024 £**
Other provision	1,545,039	354,000

Movements on provisions:

	Other provision £
At 1 January 2025	354,000
Additional provisions in the year	1,191,039
At 31 December 2025	1,545,039

SONARDYNE INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

20 Provisions for liabilities **(Continued)**

Warranty provision

A provision of £1,545,039 (2024 - £354,000) has been recognised for anticipated warranty claims on products sold during the last financial year. It is expected that most of this expenditure will be incurred within the next financial year.

21 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the Company and movements thereon:

Balances:	**Liabilities 2025 £**	**Liabilities 2024 £**	**Assets 2025 £**	**Assets 2024 £**
Accelerated capital allowances	898,691	693,047	-	-
Employment related obligations	-	-	437,176	328,287
	898,691	693,047	437,176	328,287

Movements in the year:	**2025 £**
Liability at 1 January 2025	364,760
Charge to profit or loss	96,755
Liability at 31 December 2025	461,515

The portion of the deferred taxation liability/(asset) set out above which is not expected to reverse within 12 months relates to accelerated capital allowances of £898,691 (2024 - £568,299) and employment related obligations of £236,836 (2024 - (£127,948)).

22 Retirement benefit schemes

Defined contribution schemes	**2025 £**	**2024 £**
Charge to profit or loss in respect of defined contribution schemes	2,965,212	2,159,009

The Company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Company in an independently administered fund. There were £1,470 (2024 - £803,780) of outstanding contributions at the year end.

SONARDYNE INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

23 Share capital

	2025	2024	2025	2024
Ordinary share capital	**Number**	**Number**	**£**	**£**
Issued and fully paid				
Ordinary shares of £1 each	12,286,362	12,286,362	12,286,362	12,286,362

Ordinary shares are non-redeemable and carry full voting and participating rights.

24 Operating lease commitments

Lessee

At the reporting end date the Company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2025	2024
	£	**£**
Within one year	479,755	135,505
Between two and five years	1,419,694	156,949
	1,899,449	292,454

25 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2025	2024
	£	**£**
Acquisition of tangible fixed assets	673,798	1,067,434

26 Events after the reporting date

Subsequent to the balance sheet date, Kraken Robotics Inc., a company registered in Canada, entered into an agreement to acquire Covelya Group Limited. The acquisition is not expected to affect the value of items disclosed in these financial statements.

27 Related party transactions

During the year, the Company made purchases from Lumasys Inc, a 34% owned associate, of £536,941 (2024 - £580,494). At the year end £40,424 was paid on account (2024 - £62,545). The Company also entered into an agreement with Lumasys for intangible assets with a value of £nil during the year (2024 - £2,000,000).

During the year, the Company paid rent of £373,250 (2024 - £263,000) to a company in which an individual has significant influence over that company and the Company. The Company owed £nil (2024 - £nil) in respect of these amounts at the year end.

SONARDYNE INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

28 Ultimate controlling party

The Company's ultimate parent Company and controlling party is Sonardyne Holdings Limited, a company registered in England and Wales at registered address, Ocean House, Blackbushe Business Park, Saxony Way, Yateley, GU46 6GD. This is also the largest group in which the results of the Company are consolidated. Copies of the group financial statements of Sonardyne Holdings Limited are available from Companies House, Crown Way, Cardiff, CF14 3UZ.

The smallest group in which the results of the Company are consolidated is Covelya Group Limited.