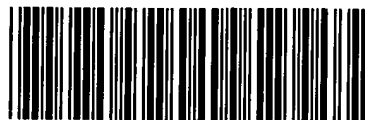


Company Registration No. 01968550 (England and Wales)

SONARDYNE HOLDINGS LIMITED
GROUP ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

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SONARDYNE HOLDINGS LIMITED

COMPANY INFORMATION

Directors	C J Partridge N J Evans S C Partridge
Secretary	C J Partridge
Company number	01968550
Registered office	Ocean House Blackbushe Business Park Saxony Way Yateley Hampshire GU46 6GD
Auditor	Azets Audit Services Ashcombe Court Woolsack Way Godalming Surrey GU7 1LQ

SONARDYNE HOLDINGS LIMITED

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SONARDYNE HOLDINGS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024

The directors present the strategic report for the year ended 31 December 2024.

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 as 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 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.

SONARDYNE HOLDINGS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

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 Boards of the company and its subsidiary companies regularly discuss issues concerning employees, clients, suppliers, community and environment and their shareholders, which they take into account in their discussions and in their decision-making processes. An annual Stakeholder Analysis review is conducted as part of the preparation for reviewing the five year strategic framework.

In addition to this, the Boards of the company and its subsidiary companies 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 Group 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 Group to ensure they remain attractive and have a wide range of employee benefits to offer including a number of wellbeing initiatives.
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 in all Group companies to improve the services we can provide. This includes, for example, regular customer engagement surveys which are used, in some entities, to determine their Net Promotor Score. 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.

SONARDYNE HOLDINGS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

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 Supplier Codes of Conduct within the group entities. 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. We ensure that suppliers are paid in a timely manner in accordance with our obligations.
Community & Environment	The Board's approach to community and the environment continues to be vitally important. We continue to take measures to reduce the Group's carbon footprint. The effective use of technology, where feasible and appropriate, has allowed the business to maintain air travel at levels below those seen prior to the pandemic. Solar arrays at our sites in the UK, Denmark and Brazil now provide a significant portion of those sites' total electricity consumption and surplus electricity fed from the arrays is fed back into the national supply system, where possible. As a result, the wider community benefits both directly and indirectly from the Group's investments and initiatives. Not only does the Board assess opportunities to increase the generation of renewable energy by the Group, it also considers energy efficiency in its other investment decisions in an effort to help reduce the Group's total energy consumption. The Group's largest Operating Company has fully assessed its Scope 1, 2 and 3 emissions, and has offset all those applicable from its UK operations for 2024. At the UK headquarters, all gas-burning appliances have been removed in favour of renewable electric alternatives, and voltage optimisation equipment has been installed across several buildings. Targeted utilisation of high-quality verified carbon offsetting schemes has enabled this entity to become verified as carbon neutral in 2024.
Shareholders	We provide regular reports to, and hold regular meetings 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.

SONARDYNE HOLDINGS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

Review of the business

Turnover for the year was £122.3m compared to £101.0m in 2023. Operating profit before amortisation of goodwill for the year was £21.3m compared to £10.1m for the previous year.

Demand in our core Offshore Oil & Gas markets has remained robust, whilst our strategic focus on the Offshore Renewable Energy and Defence sectors has resulted in significant growth in those markets. Elsewhere, we have seen a softening in the Ocean Science sector, a position which will be further challenged in 2025 as a result of reduced US government expenditure in this area. Accordingly, we were able to report record revenues for the year representing an increase of 21% and building on the strong result reported in the prior year (2023: 43% growth). Order intake of £149.5m (2023: £111.3m) was also significantly improved (up by 34%), buoyed by a large multi-year order in Brazil for our Sonardyne business and the Group enters 2025 with strong order book coverage of over 50% for the year.

Alongside a favourable sales mix, efforts to improve the productivity of our supply chain, together with global easing of material prices, particularly in relation to complex electronic components, also helped drive improvements in our gross margins to 74% (2023: 70%). In spite of ongoing skills shortages in our home markets, which have created challenging recruitment conditions, we have continued to invest in our core capabilities increasing our overhead costs accordingly. Nevertheless, the strong growth in revenues has delivered economies of scale for the business which have driven an increase in our overall net profit to £14.1m (2023: £7.2m).

Looking forward, growing uncertainty and shifts in the previously accepted "global norms" are expected to drive strong demand in the Defence sector for capabilities which we are well positioned to deliver for our customers. We therefore expect to see revenues in this area grow as a proportion of overall sales over the next few years. Elsewhere, whilst US government policy shifts are likely to create some headwinds in Offshore Renewable Energy in North America, we continue to see strong growth prospects in these areas in European and other markets, whilst emerging opportunities in support of Carbon Capture and Storage (CCS) initiatives also provide strong growth prospects for the business. As a result, the Board expects to see further growth for the business in 2025 and are focusing on continuing to invest in key strategic capabilities to preserve and enhance our competitive offering to the market.

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 and reviewed by the Board. This includes dashboards and detailed accounts which show actual performance compared to budget.

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 threat of increased trade barriers resulting from US-imposed tariffs which are disrupting global supply chains and increasing costs
- 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 Group'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 group companies great places to work in order to attract and retain talent.

SONARDYNE HOLDINGS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

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.

Order intake has increased by 34% compared to the prior year

Turnover has increased by 21% compared to the prior year

Staff numbers have increased compared to the prior year

The Group 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 group continues and that appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

Each subsidiary company keeps its employees informed on matters relevant to them as employees through regular meetings, newsletters and employee forums. In addition to this, a review of the Group's performance is presented to all staff, along with the future plans for the Group.

SONARDYNE HOLDINGS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

Streamlined Energy and Carbon Reporting

The report is based on Sonardyne International Limited, which is the only company which meets the conditions for this reporting.

Overall, our total energy consumption remained relatively stable. The continuation of the grid decarbonisation and procurement of 100% renewable electricity and "Green Gas" has helped our continued reduction in our carbon footprint and our achievement of carbon neutrality in 2024 based upon 2023 data.

Figures are as follows, based on the calendar year:

	2024	2023
<i>Energy consumption</i>		
Aggregate of UK energy consumption in the year	kWh	kWh
- Gas combustion	153,270	165,121
- Fuel consumed for transport	181,856	189,783
- Electricity purchased	1,349,655	1,319,083
	1,684,781	1,673,987
	=====	=====
<i>Emissions of CO2 equivalent</i>		
	Metric Tonnes	Metric Tonnes
Scope 1 - direct emissions		
- Gas combustion	28.03	30.21
- Fuel consumed for owned transport	45.63	46.25
	73.66	76.46
Scope 2 - indirect emissions		
- Electricity purchased	279.45	273.15
Scope 3 - other indirect emissions		
- Business travel in employee owned vehicles	7.68	12.88
Associated Greenhouse net gas emissions (Tonnes CO2e)	53.31	59.13
<i>Intensity ratio</i> (Net Tonnes CO2e per employee)	0.14	0.15

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

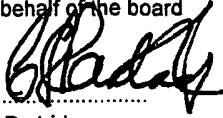
100% renewable electricity was procured for the whole of 2024. Renewable "Green" Gas was also procured throughout 2024. To account for this, conversion factors have been applied across 12 months to determine gross emissions, prior to applying a renewable energy offset to calculate net emissions.

SONARDYNE HOLDINGS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

On behalf of the board



.....
C J Partridge
Director

Date: 11/09/2025
.....

SONARDYNE HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024

The directors present their annual report and financial statements for the year ended 31 December 2024.

Principal activities

The principal activity of the company continued to be that of a holding company.

The principal activities of the group are the design, manufacture and supply of electronic and mechanical instruments, sensors and systems, and the development of software solutions, for use in a variety of markets including offshore energy, defence, ocean science and coastal and civil infrastructure.

Directors

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

C J Partridge
N J Evans
S C Partridge

Results and dividends

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

Dividends of £2,335,010 (2023 - £Nil) were paid during the year.

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 group and company, 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 auditor of the company 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 auditor of the company is aware of that information.

SONARDYNE HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

On behalf of the board



C J Patridge
Director

Date: 11/09/2025

SONARDYNE HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SONARDYNE HOLDINGS LIMITED

Opinion

We have audited the financial statements of Sonardyne Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2024 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows 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 group's and the parent company's affairs as at 31 December 2024 and of the group's 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 group and 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. 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 group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other 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.

SONARDYNE HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SONARDYNE HOLDINGS LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their 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 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 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 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.

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.

SONARDYNE HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SONARDYNE HOLDINGS LIMITED

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

Azets Audit Services

Robert Southey
Senior Statutory Auditor
For and on behalf of Azets Audit Services

Date: 18 September 2025

Chartered Accountants
Statutory Auditor

Ashcombe Court
Woolsack Way
Godalming
Surrey
United Kingdom
GU7 1LQ

SONARDYNE HOLDINGS LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 £	2023 £
Turnover	3	122,278,639	101,013,556
Cost of sales		(31,838,443)	(30,046,704)
Gross profit		90,440,196	70,966,852
Administrative expenses		(73,168,623)	(64,647,019)
Other operating income		1,336,487	1,569,683
Operating profit	5	18,608,060	7,889,516
Share of profits of associates		110,463	168,374
Interest receivable and similar income	8	822,264	580,954
Interest payable and similar expenses	9	(37,365)	(52,648)
Profit before taxation		19,503,422	8,586,196
Tax on profit	10	(5,378,307)	(1,404,904)
Profit for the financial year		14,125,115	7,181,292
Other comprehensive income			
Currency translation gain/(loss) taken to retained earnings		930,986	(274,231)
Total comprehensive income for the year		15,056,101	6,907,061
Profit for the financial year is attributable to:			
- Owners of the parent company		14,125,115	7,186,843
- Non-controlling interests		-	(5,551)
		14,125,115	7,181,292
Total comprehensive income for the year is attributable to:			
- Owners of the parent company		15,056,101	6,912,612
- Non-controlling interests		-	(5,551)
		15,056,101	6,907,061

SONARDYNE HOLDINGS LIMITED

GROUP BALANCE SHEET

AS AT 31 DECEMBER 2024

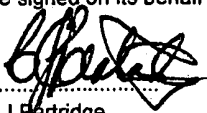
	Notes	2024 £	£	2023 £	£
Fixed assets					
Goodwill	12	11,727,451		14,422,527	
Other intangible assets	12	4,507,730		2,806,516	
Total intangible assets		16,235,181		17,229,043	
Tangible assets	13	26,465,648		21,478,232	
Investments	14	17,469,397		16,840,068	
		60,170,226		55,547,343	
Current assets					
Stocks	18	30,732,790		25,314,556	
Debtors	19	28,904,053		23,316,795	
Cash at bank and in hand		37,767,849		26,122,517	
		97,404,692		74,753,868	
Creditors: amounts falling due within one year	20	(38,836,741)		(24,503,185)	
Net current assets		58,567,951		50,250,683	
Total assets less current liabilities		118,738,177		105,798,026	
Creditors: amounts falling due after more than one year	21	(331,277)		(379,560)	
Provisions for liabilities					
Provisions	23	466,883		728,341	
Deferred tax liability	24	2,048,390		1,502,022	
		(2,515,273)		(2,230,363)	
Net assets		115,891,627		103,188,103	
Capital and reserves					
Called up share capital	25	99,995		99,995	
Profit and loss reserves		115,791,632		103,070,541	
Equity attributable to owners of the parent company		115,891,627		103,170,536	
Non-controlling interests		-		17,567	
		115,891,627		103,188,103	

SONARDYNE HOLDINGS LIMITED

GROUP BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2024

The financial statements were approved by the board of directors and authorised for issue on 11/09/2025 and are signed on its behalf by:



C J Partridge
Director

SONARDYNE HOLDINGS LIMITED

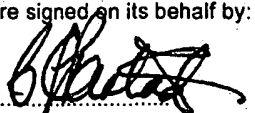
COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2024

	Notes	2024 £	£	2023 £	£
Fixed assets					
Investments	14		29,434,864		28,916,541
Current assets					
Debtors	19	6,582,572		6,926,450	
Cash at bank and in hand		6,595,174		8,253,576	
		13,177,746		15,180,026	
Creditors: amounts falling due within one year	20	(782,929)		(531,877)	
Net current assets			12,394,817		14,648,149
Net assets			41,829,681		43,564,690
Capital and reserves					
Called up share capital	25		99,995		99,995
Profit and loss reserves			41,729,686		43,464,695
Total equity			41,829,681		43,564,690

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £600,001 (2023 - £394,581 profit).

The financial statements were approved by the board of directors and authorised for issue on 11/09/2025 and are signed on its behalf by:


C J Fartridge
Director

Company Registration No. 01968550

SONARDYNE HOLDINGS LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	Share capital £	Profit and loss reserves £	Total controlling interest £	Non-controlling interest £	Total £
Balance at 1 January 2023		99,995	96,157,929	96,257,924	23,649	96,281,573
Year ended 31 December 2023:						
Profit for the year		-	7,186,843	7,186,843	(5,551)	7,181,292
Other comprehensive income:						
Currency translation differences		-	(274,231)	(274,231)	-	(274,231)
Total comprehensive income		-	6,912,612	6,912,612	(5,551)	6,907,061
Other movements		-	-	-	(531)	(531)
Balance at 31 December 2023		99,995	103,070,541	103,170,536	17,567	103,188,103
Year ended 31 December 2024:						
Profit for the year		-	14,125,115	14,125,115	-	14,125,115
Other comprehensive income:						
Currency translation differences		-	930,986	930,986	-	930,986
Total comprehensive income		-	15,056,101	15,056,101	-	15,056,101
Dividends	11	-	(2,335,010)	(2,335,010)	-	(2,335,010)
Other movements		-	-	-	(17,567)	(17,567)
Balance at 31 December 2024		99,995	115,791,632	115,891,627	-	115,891,627

SONARDYNE HOLDINGS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 January 2023		99,995	43,070,114	43,170,109
Year ended 31 December 2023:				
Profit and total comprehensive income for the year		-	394,581	394,581
Balance at 31 December 2023		99,995	43,464,695	43,564,690
Year ended 31 December 2024:				
Profit and total comprehensive income		-	600,001	600,001
Dividends	11	-	(2,335,010)	(2,335,010)
Balance at 31 December 2024		99,995	41,729,686	41,829,681

SONARDYNE HOLDINGS LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 £	£	2023 £	£
Cash flows from operating activities					
Cash generated from operations	31	29,613,482		11,449,198	
Interest paid		(37,365)		(52,647)	
Income taxes paid		(4,469,005)		(643,135)	
Net cash inflow from operating activities		25,107,112		10,753,416	
Investing activities					
Purchase of intangible assets		(3,030,181)		(907,157)	
Purchase of tangible fixed assets		(9,218,701)		(11,000,145)	
Proceeds on disposal of tangible fixed assets		258,424		217,306	
Interest received		303,941		243,078	
Net cash used in investing activities		(11,686,517)		(11,446,918)	
Financing activities					
Dividends paid to equity shareholders		(2,335,010)		-	
Net cash used in financing activities		(2,335,010)		-	
Net increase/(decrease) in cash and cash equivalents		11,085,585		(693,502)	
Cash and cash equivalents at beginning of year		25,443,054		26,136,556	
Cash and cash equivalents at end of year		36,528,639		25,443,054	
Relating to:					
Cash at bank and in hand		37,767,849		26,122,517	
Bank overdrafts included in creditors payable within one year		(1,239,210)		(679,463)	

SONARDYNE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

Company information

Sonardyne Holdings Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Ocean House, Blackbushe Business Park, Saxony Way, Yateley, Hampshire, United Kingdom, GU46 6GD.

The group consists of Sonardyne Holdings Limited and all of its subsidiaries.

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.

The 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 for parent company information presented within the consolidated financial statements:

- 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.

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.

SONARDYNE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

1.2 Basis of consolidation

The consolidated financial statements consist of the financial statements of the company together with all entities controlled by the company (its subsidiaries) and the group's share of its interests in joint ventures and associates. Subsidiaries acquired during the year are consolidated using the purchase method from the date that control passes.

Entities other than subsidiary undertakings in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates. In the group financial statements, associates are accounted for using the equity method.

In the group financial statements, merged subsidiary undertakings are treated as if they had always been a member of the group. The results of such a subsidiary are included for the whole period in the year it joins the group. The corresponding figures for the previous year include its results for that period, the assets and liabilities at the previous balance sheet date and the shares issued by the company as consideration as if they had always been in issue. Any difference between the nominal value of the shares acquired by the company and those issued by the company to acquire them is taken to reserves.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the group 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.

1.4 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.

Rental revenue and annual software licence subscription revenue is recognised over the term of the relevant agreement.

The group has a number of long term sales contracts. Revenue is 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 profit or loss.

1.5 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

SONARDYNE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

1.6 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.7 Intangible fixed assets other than goodwill

Intangible assets are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Expenditure incurred on the development of internally generated products is capitalised if it can be demonstrated that:

- it is technically feasible to complete the intangible asset so that it will be available for use or sale;
- management intends to complete the intangible asset or use or sell it;
- there is an ability to use or sell the intangible asset;
- it can be demonstrated how the intangible asset will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available; and
- the expenditure attributable to the intangible asset during its development can be reliably measured.

All other development expenditure is written off as incurred.

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

Patents & licences	Over the term of the patent or licence period
Software development costs	Up to 5 years straight line

1.8 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:

Land and buildings	2% straight line
Plant and equipment	15% to 25% straight line
Fixtures, fittings and computers	25% and 33% 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 recognised in the profit and loss account.

SONARDYNE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

1.9 Fixed asset investments

In the parent company financial statements, investments in subsidiaries and associates are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. 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 group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the parent company financial statements, investments in associates are accounted for at cost less impairment.

1.10 Impairment of fixed assets

At each reporting period end date, the group 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.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

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.

SONARDYNE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

1.11 Stocks

Stocks 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.

1.12 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.13 Financial instruments

The group 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 group's balance sheet when the group 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.

SONARDYNE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

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 group 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 group after deducting all of its liabilities.

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.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.14 Equity instruments

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

SONARDYNE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

1.15 Derivatives

The group 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.

1.16 Taxation

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

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 group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

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 if, and only if, there is 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.

1.17 Provisions

Provisions are recognised when the group has a legal or constructive present obligation as a result of a past event, it is probable that the group 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.

1.18 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.

SONARDYNE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

1.19 Retirement benefits

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

1.20 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 leased asset are consumed.

1.21 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.

1.22 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 group'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

Provisions are made for slow moving and obsolete stock based on the age, nature and condition of the stock, as well as applying assumptions around the future selling price of the finished goods.

SONARDYNE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

3 Turnover

	2024 £	2023 £
Turnover analysed by class of business		
Goods	98,162,090	82,048,173
Other	24,116,549	18,965,383
	<u>122,278,639</u>	<u>101,013,556</u>
	2024 £	2023 £
Turnover analysed by geographical market		
United Kingdom	37,039,324	28,299,423
European Union	26,251,375	20,357,037
Asia	15,844,655	13,885,318
Americas	30,166,566	23,078,278
Rest of world	12,976,719	15,393,500
	<u>122,278,639</u>	<u>101,013,556</u>

4 Auditor's remuneration

	2024 £	2023 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	15,525	16,250
Audit of the financial statements of the company's subsidiaries	192,274	177,083
	<u>207,799</u>	<u>193,333</u>
For other services		
Taxation compliance services	32,207	27,342
All other non-audit services	64,376	23,227
	<u>96,583</u>	<u>50,569</u>

SONARDYNE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

5 Operating profit

	2024 £	2023 £
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	1,630,483	(26,588)
Research and development costs	4,253,307	2,399,163
Government grants	(715,959)	(1,280,632)
Depreciation of owned tangible fixed assets	3,592,829	2,834,888
Loss/(profit) on disposal of tangible fixed assets	34,806	(29,810)
Amortisation of intangible assets	3,899,309	3,029,147
Operating lease charges	1,351,641	928,043

6 Employees

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

	Group 2024 Number	2023 Number	Company 2024 Number	2023 Number
Technical	404	366	-	-
Administrative	215	188	3	3
Total	619	554	3	3

Their aggregate remuneration comprised:

	Group 2024 £	2023 £	Company 2024 £	2023 £
Wages and salaries	42,235,970	35,310,350	338,000	334,185
Social security costs	3,543,282	3,035,148	70,706	47,769
Pension costs	3,921,927	3,103,629	43,817	22,385
	49,701,179	41,449,127	467,783	419,599

7 Directors' remuneration

	2024 £	2023 £
Remuneration for qualifying services	492,350	387,703
Company pension contributions to defined contribution schemes	36,365	22,047
	528,715	226,251

SONARDYNE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

7 Directors' remuneration

(Continued)

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2023: 2).

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

	2024 £	2023 £
Remuneration for qualifying services	318,197	270,414
Company pension contributions to defined contribution schemes	29,734	19,568

8 Interest receivable and similar income

	2024 £	2023 £
Interest income		
Interest on bank deposits	293,131	240,321
Other interest income	10,810	2,758
Total interest revenue	303,941	243,079
Income from fixed asset investments		
Income from other fixed asset investment	518,323	337,875
Total income	822,264	580,954

9 Interest payable and similar expenses

	2024 £	2023 £
Interest on bank overdrafts and loans	34,715	51,117
Other interest on financial liabilities	2,650	1,531
Total finance costs	37,365	52,648

10 Taxation

	2024 £	2023 £
Current tax		
UK corporation tax on profits for the current period	5,361,335	2,087,589
Adjustments in respect of prior periods	(61,988)	122,181
Total UK current tax	5,299,347	2,209,770
Foreign current tax on profits for the current period	1,171,384	813,678
Total current tax	6,470,731	3,023,448

SONARDYNE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

10 Taxation

(Continued)

	2024 £	2023 £
Deferred tax		
Origination and reversal of timing differences	296,187	(649,473)
Changes in tax rates	-	(25,263)
Tax losses carried forward	(1,388,611)	(943,808)
Total deferred tax	(1,092,424)	(1,618,544)
Total tax charge	5,378,307	1,404,904

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:

	2024 £	2023 £
Profit before taxation	19,503,422	8,586,196
Expected tax charge based on the standard rate of corporation tax in the UK of 25.00% (2023: 25.00%)	4,875,856	2,146,549
Tax effect of expenses that are not deductible in determining taxable profit	61,298	140,315
Tax effect of income not taxable in determining taxable profit	(209,892)	(237,946)
Tax effect of utilisation of tax losses not previously recognised	(80,650)	-
Unutilised tax losses carried forward	2,036,281	2,124,608
Effect of change in corporation tax rate	-	(132,454)
Double tax relief	(47,160)	-
Permanent capital allowances in excess of depreciation	(442,650)	(321,469)
Research and development tax credit	-	(597,707)
Other non-reversing timing differences	421,434	447,068
Under/(over) provided in prior years	(61,988)	122,181
Patent box relief	(733,094)	(927,375)
Non-tax deductible amortisation of goodwill	650,000	527,011
Earnings taxed at higher rates	(1,341,855)	(1,071,735)
Deferred tax	(1,092,424)	(1,618,544)
Foreign taxes	1,171,384	813,678
Provision adjustment	171,767	(9,276)
Taxation charge	5,378,307	1,404,904

The prior year research and development tax credit arose under the SME enhanced expenditure scheme. The current year reflects a claim under the RDEC scheme, with benefits of £740,314 recognised through Other operating income within the Group Statement of Comprehensive Income.

SONARDYNE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

11 Dividends

	2024	2023
	£	£
Recognised as distributions to equity holders:		
Interim paid	2,335,010	-

12 Intangible fixed assets

Group	Goodwill	Patents & licences	Software development costs	Total
	£	£	£	£
Cost				
At 1 January 2024	28,812,957	-	5,881,325	34,694,282
Additions	-	2,000,000	1,030,181	3,030,181
Exchange adjustments	-	-	(261,392)	(261,392)
At 31 December 2024	28,812,957	2,000,000	6,650,114	37,463,071
Amortisation and impairment				
At 1 January 2024	14,390,430	-	3,074,809	17,465,239
Amortisation charged for the year	2,695,076	333,333	870,900	3,899,309
Exchange adjustments	-	-	(136,658)	(136,658)
At 31 December 2024	17,085,506	333,333	3,809,051	21,227,890
Carrying amount				
At 31 December 2024	11,727,451	1,666,667	2,841,063	16,235,181
At 31 December 2023	14,422,527	-	2,806,516	17,229,043

The company had no intangible fixed assets at 31 December 2024 or 31 December 2023.

Goodwill represents the goodwill generated on the acquisition of Chelsea Technologies Holdings Limited in October 2018, EIVA Holding A/S in May 2019 and SensorSurvey A/S in August 2022.

SONARDYNE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

13 Tangible fixed assets

Group	Land and buildings	Plant and equipment	Fixtures, fittings and computers	Motor vehicles	Boats and instruments	Total
	£	£	£	£	£	£
Cost						
At 1 January 2024	14,769,030	16,686,811	5,380,331	153,985	6,280,212	43,270,369
Additions	274,912	7,428,660	944,280	-	570,849	9,218,701
Disposals	(130,531)	(928,792)	(610,905)	(12,253)	(23,851)	(1,706,332)
Reanalysis between asset classes	(464,504)	4,303,051	984,207	99,749	(628,282)	4,294,221
Exchange adjustments	(143,182)	(652,092)	(68,284)	14,368	(12,550)	(861,740)
At 31 December 2024	14,305,725	26,837,638	6,629,629	255,849	6,186,378	54,215,219
Depreciation and impairment						
At 1 January 2024	2,675,283	9,918,266	4,261,159	122,062	4,815,367	21,792,137
Depreciation charged in the year	227,728	2,312,924	579,934	26,324	445,919	3,592,829
Eliminated in respect of disposals	(130,531)	(722,077)	(599,157)	(12,253)	(18,696)	(1,482,714)
Reanalysis between asset classes	326,533	3,226,214	898,537	44,894	(201,957)	4,294,221
Exchange adjustments	(42,026)	(362,176)	(50,856)	16,808	(8,652)	(446,902)
At 31 December 2024	3,056,987	14,373,151	5,089,617	197,835	5,031,981	27,749,571
Carrying amount						
At 31 December 2024	11,248,738	12,464,487	1,540,012	58,014	1,154,397	26,465,648
At 31 December 2023	12,093,747	6,768,545	1,119,172	31,923	1,464,845	21,478,232

The company had no tangible fixed assets at 31 December 2024 or 31 December 2023.

Included in cost of land and buildings is freehold land of £2,585,184 (2023: £2,585,184) which is not depreciated.

14 Fixed asset investments

	Notes	Group 2024 £	2023 £	Company 2024 £	2023 £
Investments in subsidiaries	15	-	-	12,303,983	12,303,983
Investments in associates	16	338,516	227,510	-	-
Unlisted investments		17,130,881	16,612,558	17,130,881	16,612,558
		17,469,397	16,840,068	29,434,864	28,916,541

SONARDYNE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

14 Fixed asset investments

(Continued)

Movements in fixed asset investments

Group	Interest in associates £	Goodwill on associates £	Other investments £	Total £
Cost or valuation				
At 1 January 2024	227,510	475,738	16,612,558	17,315,806
Additions	-	-	518,323	518,323
Share of (loss)/profit retained by the associate	110,463	-	-	110,463
Exchange differences	543	-	-	543
At 31 December 2024	338,516	475,738	17,130,881	17,945,135
Amortisation				
At 1 January 2024 and 31 December 2024	-	475,738	-	475,738
Carrying amount				
At 31 December 2024	338,516	-	17,130,881	17,469,397
At 31 December 2023	227,510	-	16,612,558	16,840,068

Movements in fixed asset investments

Company	Shares in subsidiaries £	Other investments £	Total £
Cost or valuation			
At 1 January 2024	12,303,983	16,612,558	28,916,541
Additions	-	518,323	518,323
At 31 December 2024	12,303,983	17,130,881	29,434,864
Carrying amount			
At 31 December 2024	12,303,983	17,130,881	29,434,864
At 31 December 2023	12,303,983	16,612,558	28,916,541

SONARDYNE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

15 Subsidiaries

Details of the company's subsidiaries at 31 December 2024 are as follows:

Name of undertaking	Registered Office	Nature of business	Class of shares held	% Held Direct Indirect	
Sonardyne International Limited	Ocean House, Blackbushe Business Park, Yateley, Hampshire, GU46 6GD	Manufacture of electronic and mechanical equipment	Ordinary	-	100.00
Sonardyne Limited	Ocean House, Blackbushe Business Park, Yateley, Hampshire, GU46 6GD	Dormant	Ordinary	100.00	-
Covelya Group Limited	Ocean House, Blackbushe Business Park, Yateley, Hampshire, GU46 6GD	Holding company	Ordinary	100.00	-
Sonardyne Overseas Holdings Limited	Ocean House, Blackbushe Business Park, Yateley, Hampshire, GU46 6GD	Non-trading	Ordinary	-	100.00
Sonardyne Brazil Limited	Ocean House, Blackbushe Business Park, Yateley, Hampshire, GU46 6GD	Non-trading	Ordinary	-	100.00
Wavefront Systems Limited	Ocean House, Blackbushe Business Park, Yateley, Hampshire, GU46 6GD	Sale of underwater products	Ordinary	-	100.00
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, Block 602, Loyang Offshore Supply Base, Singapore 509022	Retail of electronic and mechanical equipment	Ordinary	-	100.00
Sonardyne Brasil Limitada	Av. Zen lates 05 e 06, Quadra D, Zen, Rio das Ostras - RJ, CEP 28890-000, Brasil	Retail of electronic and mechanical equipment	Ordinary	-	100.00
Chelsea Technologies Limited	Ocean House, Blackbushe Business Park, Yateley, Hampshire, GU46 6GD	Manufacture of electronic and mechanical equipment	Ordinary	-	100.00
PropCov Limited	Ocean House, Blackbushe Business Park, Yateley, Hampshire, GU46 6GD	Generation of electricity and property ownership	Ordinary	-	100.00
EIVA Robotics UK Limited	Ocean House, Blackbushe Business Park, Yateley, Hampshire, GU46 6GD	Dormant	Ordinary	-	100.00
EIVA A/S	Niels Bohrs Vej 17, 8660 Skanderborg, Denmark	Retail of electronic and mechanical equipment	Ordinary	-	100.00
Voyis Imaging Inc	Suite 1700, Park Place, 666 Burrard Street, Vancouver BC V6C 2X8, Canada	Underwater laser camera and imaging solutions	Ordinary	-	100.00
Covelya Limited	Ocean House, Blackbushe Business Park, Yateley, Hampshire, GU46 6GD	Dormant	Ordinary	-	100.00
Sonardyne Group Limited	Ocean House, Blackbushe Business Park, Yateley, Hampshire, GU46 6GD	Dormant	Ordinary	-	100.00
Forcys Limited	Ocean House, Blackbushe Business Park, Yateley, Hampshire, GU46 6GD	Sale of underwater products	Ordinary	-	100.00
Forcys Australia Pty Limited	Level 24, 300 Barangaroo Avenue, Sydney, NSW 2000	Sale of underwater products	Ordinary	-	100.00
SensorSurvey A/S	Niels Bohrs Vej 17, 8660 Skanderborg, Denmark	Harbour surveying	Ordinary	-	100.00
Acousonix Limited	Ocean House, Blackbushe Business Park, Yateley, Hampshire, GU46 6GD	Underwater consultancy services	Ordinary	100.00	-
Forcys Inc	20130 Lakeview Center Plaza, Suite 400, Ashburn, VA 20147	Sale of underwater products	Ordinary	-	100.00
EIVA SGP Pte Limited	Level 20, One Marina Boulevard, Singapore 018989	Retail of electronic and mechanical equipment	Ordinary	-	100.00

SONARDYNE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

15 Subsidiaries

(Continued)

All of the above companies are included in Sonardyne Holdings Limited consolidated financial statements and are 100% owned via ordinary shares.

The shares of Sonardyne International Limited, Wavefront Systems Limited, Chelsea Technologies Limited, PropCov Limited, Sonardyne Group Limited, Covelya Limited, EIVA A/S, Forcys Limited and Voyis Imaging Inc are held indirectly through Covelya Group Limited.

The shares of Sonardyne Overseas Holdings Limited, Sonardyne Inc and Sonardyne Asia Pte Ltd are held indirectly through Sonardyne International Limited.

The shares of Sonardyne Brazil Limited and Sonardyne Brasil Limitada are held indirectly through Sonardyne Overseas Holdings Limited.

The shares of EIVA SGP Pte.Ltd, EIVA Robotics UK Limited and SensorSurvey A/S are held indirectly through EIVA A/S.

The shares of Forcys Australia Pty Limited and Forcys Inc are held indirectly through Forcys Limited.

Sonardyne Brasil Limitada, Forcys Australia Pty Limited and Forcys Inc financial statements for the year ended to 31 December 2024 were unaudited.

16 Associates

Details of associates at 31 December 2024 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Lumasys Inc.	97 Water Street, PO Box 613, Woods Hole, MA 02543 USA	Subsea optical communication solutions	Ordinary	-	34
Dynautics Limited	28 Landport Terrace, Portsmouth, PO1 2RG	Provision of intelligent marine technology	Ordinary	-	20

Both associates have been accounted for under the equity method of accounting within these consolidated financial statements.

17 Joint ventures

Details of joint ventures at 31 December 2024 are as follows:

Name of undertaking	Registered office	Nature of business	Interest held	% Held	
				Direct	Indirect
Brightline Diagnostics Limited	Alderley Park, Nether Alderley, Cheshire, SK10 4TG	Dormant	Ordinary	-	50.00

SONARDYNE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

18 Stocks

	Group 2024 £	2023 £	Company 2024 £	2023 £
Raw materials and consumables	20,394,926	14,134,647	-	-
Work in progress	6,995,951	6,936,289	-	-
Finished goods and goods for resale	3,341,913	4,243,620	-	-
	<u>30,732,790</u>	<u>25,314,556</u>	<u>-</u>	<u>-</u>

Consignment stock of £462,177 (2023: £953,926) is held in the group 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 group.

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

19 Debtors

	Group 2024 £	2023 £	Company 2024 £	2023 £
Amounts falling due within one year:				
Trade debtors	23,274,670	15,656,313	-	-
Corporation tax recoverable	51,458	91,504	51,458	51,458
Amounts owed by group undertakings	-	-	6,424,517	6,416,760
Other debtors	657,547	515,283	-	-
Prepayments and accrued income	3,002,858	4,618,093	-	37,118
	<u>26,986,533</u>	<u>20,881,193</u>	<u>6,475,975</u>	<u>6,505,336</u>
Deferred tax asset (note 24)	1,749,707	2,381,918	-	-
	<u>28,736,240</u>	<u>23,263,111</u>	<u>6,475,975</u>	<u>6,505,336</u>
Amounts falling due after more than one year:				
Amounts owed by group undertakings	-	-	106,597	421,114
Deferred tax asset (note 24)	167,813	53,684	-	-
	<u>167,813</u>	<u>53,684</u>	<u>106,597</u>	<u>421,114</u>
Total debtors	<u>28,904,053</u>	<u>23,316,795</u>	<u>6,582,572</u>	<u>6,926,450</u>

SONARDYNE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

20 Creditors: amounts falling due within one year

	Notes	Group 2024 £	2023 £	Company 2024 £	2023 £
Bank loans and overdrafts	22	1,239,210	679,463	-	-
Trade creditors		3,377,218	4,895,757	-	-
Amounts owed to group undertakings		-	-	500,646	337,686
Corporation tax payable		2,090,878	2,286,073	222,707	130,775
Other taxation and social security		2,118,720	1,712,598	-	-
Deferred income		16,478,363	4,027,775	-	-
Other creditors		381,395	183,213	-	-
Accruals		13,150,957	10,718,306	59,576	63,416
		<u>38,836,741</u>	<u>24,503,185</u>	<u>782,929</u>	<u>531,877</u>

21 Creditors: amounts falling due after more than one year

		Group 2024 £	2023 £	Company 2024 £	2023 £
Other creditors		331,277	379,560	-	-
		<u>331,277</u>	<u>379,560</u>	<u>-</u>	<u>-</u>

22 Loans and overdrafts

		Group 2024 £	2023 £	Company 2024 £	2023 £
Bank overdrafts		1,239,210	679,463	-	-
		<u>1,239,210</u>	<u>679,463</u>	<u>-</u>	<u>-</u>
Payable within one year		1,239,210	679,463	-	-
		<u>1,239,210</u>	<u>679,463</u>	<u>-</u>	<u>-</u>

As at 31 December 2024 and 31 December 2023, EIVA A/S had an overdraft facility of DKK20,000,000 secured over EIVA's debtors, inventory and operating assets.

As at 31 December 2024 Sonardyne International Limited had an overdraft facility of £2,000,000 secured via fixed and floating charges over its assets.

23 Provisions for liabilities

	Notes	Group 2024 £	2023 £	Company 2024 £	2023 £
Other provisions		466,883	728,341	-	-
Deferred tax liabilities	24	2,048,390	1,502,022	-	-
		<u>2,515,273</u>	<u>2,230,363</u>	<u>-</u>	<u>-</u>

SONARDYNE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

23 Provisions for liabilities

(Continued)

Movements on provisions apart from deferred tax liabilities:

Group	Other provisions £
At 1 January 2024	728,341
Movements in the year	(261,458)
At 31 December 2024	466,883

As at 31 December 2024, a provision of £466,883 (2023: £478,341) was recognised for anticipated warranty claims on products sold during the last financial year and a provision of £Nil (2023: £250,000) was recognised for anticipated dilapidation costs. It is expected that most of this expenditure will be incurred within the next financial year.

24 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

Group	Liabilities 2024 £	Liabilities 2023 £	Assets 2024 £	Assets 2023 £
Accelerated capital allowances	2,048,390	1,502,022	-	-
Tax losses	-	-	1,452,449	2,220,712
Employment related obligations	-	-	465,071	214,890
	<u>2,048,390</u>	<u>1,502,022</u>	<u>1,917,520</u>	<u>2,435,602</u>

The company has no deferred tax assets or liabilities.

	Group 2024 £	Company 2024 £
Movements in the year:		
Asset at 1 January 2024	(933,580)	-
Credit to profit or loss	(1,092,424)	-
Losses surrendered to group entities	2,156,874	-
Liability at 31 December 2024	<u>130,870</u>	<u>-</u>

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 £1,716,991 (2023: £1,502,022) and employment related obligations of £(167,813) (2023: £Nil).

SONARDYNE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

25 Share capital

Group and company	2024	2023	2024	2023
Ordinary share capital	Number	Number	£	£
Issued and fully paid				
Ordinary A Share of 1p each	4,670,100	4,670,100	46,701	46,701
Ordinary B Share of 1p each	5,329,404	5,329,404	53,294	53,294
	<u>9,999,504</u>	<u>9,999,504</u>	<u>99,995</u>	<u>99,995</u>

26 Retirement benefit schemes

Defined contribution schemes	2024	2023
	£	£
Charge to profit or loss in respect of defined contribution schemes	<u>3,921,927</u>	<u>3,103,629</u>

The group operates a number of defined contribution pension schemes for qualifying employees. The assets of the schemes are held separately from those of the group in independently administered funds. There were £1,037,679 (31 December 2023: £731,661) of outstanding contributions at the year end.

27 Operating lease commitments

Lessee

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

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Within one year	970,221	1,151,153	-	-
Between two and five years	2,799,015	2,738,500	-	-
In over five years	670,003	913,835	-	-
	<u>4,439,239</u>	<u>4,803,488</u>	<u>-</u>	<u>-</u>

28 Capital commitments

Amounts contracted for but not provided in the financial statements:

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Acquisition of tangible fixed assets	<u>2,386,028</u>	<u>404,849</u>	<u>-</u>	<u>-</u>

SONARDYNE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

29 Related party transactions

During the year the group made purchases from Lumasys Inc, a 34% owned associate, of £580,494 (2023: £204,428). At the year end £62,183 was outstanding (2023: £61,560). The group also entered into an agreement with Lumasys for intangible assets with a value of £2,000,000 during the year (2023: £Nil).

During the year the group paid rent of £263,000 (2023: £263,000) to a company under common control of the directors. The group owed £nil (2023: £Nil) in respect of these amounts at year end.

30 Controlling party

There is no single controlling party.

31 Cash generated from group operations

	2024 £	2023 £
Profit for the year after tax	14,125,115	7,181,292
Adjustments for:		
Share of results of associates and joint ventures	(110,463)	(168,374)
Taxation charged	5,378,307	1,404,904
Finance costs	37,364	52,648
Investment income	(822,263)	(580,954)
Gain on disposal of tangible fixed assets	(34,806)	-
Amortisation and impairment of intangible assets	3,899,309	3,029,147
Depreciation and impairment of tangible fixed assets	3,592,829	2,834,888
Foreign exchange differences	1,452,448	(167,480)
(Decrease)/increase in provisions	(261,458)	141,646
Movements in working capital:		
Increase in stocks	(5,418,234)	(6,494,529)
Increase in debtors	(6,145,386)	(1,544,494)
Increase in creditors	1,470,132	3,863,920
Increase in deferred income	12,450,588	1,896,584
Cash generated from operations	29,613,482	11,449,198

32 Analysis of changes in net funds - group

	1 January 2024 £	Cash flows £	Exchange rate movements £	31 December 2024 £
Cash at bank and in hand	26,122,517	13,097,780	(1,452,448)	37,767,849
Bank overdrafts	(679,463)	(559,747)	-	(1,239,210)
	<u>25,443,054</u>	<u>12,538,033</u>	<u>(1,452,448)</u>	<u>36,528,639</u>