Directors Report &
Unaudited Consolidated Financial Statements

SRJ Technologies Group Plc

ARBN 642 229 856

30 June 2023

Company information

Directors	Alexander Wood Robin Pinchbeck Roger Smith (appointed 15 January 2023) Grant Mooney (resigned 14 January 2023)
Company secretary	Benjamin Donovan
Registered number	115590
Registered office	
Jersey	Le Quai House Le Quai d'Auvergne St Helier Jersey, JE2 3TN Telephone: +(44) 01534 626818
Australia	c/- Argus Corporate Partners Pty Ltd Level 13, 191 St Georges Terrace Perth WA 6000 Telephone: +(61) 08 6162 6199
Independent auditor	Grant Thornton Limited Kensington Chambers 46/50 Kensington Place St Helier Jersey, JE1 1ET
Accountants	Bracken Rothwell Limited 2nd Floor, The Le Gallais Building 54 Bath Street St Helier Jersey, JE1 1FW
Bankers	Barclays Bank Plc 13 Library Place St Helier Jersey, JE4 8NE
Lawyers	Mourant 22 Grenville Street St Helier Jersey , JE4 8PX

SRJ Technologies Group Plc

Contents page

Directors' Report
For the period ended 30 June 2023

The directors present their report and the interim financial statements of SRJ Technologies Group Plc (the "Company") and its subsidiaries (together the "Group") for the period ended 30 June 2023.

Principal activity
The principal activity of the Company is the holding of investments in the subsidiaries SRJ Limited incorporated in Jersey, Channel Islands, SRJ Technology Limited incorporated in the United Kingdom and SRJ Tech Australia Pty Ltd incorporated in Australia which are all 100% owned by the Company and are primarily involved in the development and distribution of a range of weld-free coupling and leak containment solutions for pipeline and process pipework systems and leak containment solutions. The products are designed primarily for pipe repair and the emergency replacement market but can also be integrated into new pipeline builds. The Company also offers Asset Integrity Management consulting services to help asset owners to develop and implement an effective asset integrity strategy. The Company also owns 100% of the issued share capital of Acorn Intellectual Properties Limited, a Company incorporated in Jersey which has the primary activity of holding intellectual property.

Review of activities
A summary of key milestones achieved during the period include the following:

- Secured another contract with leading FPSO operator in West Africa
- Secured three-year contract to supply BoltEx® product to PTTEP in Malaysia with Malaysian Partner, Eftech International.
- Signed a strategic alliance agreement with Cokebusters Limited to monetise combined expertise specialising in mechanical cleaning and intelligent pigging of piping systems.
- Agreed terms for an Exclusive License Agreement with Eftech International to represent SRJ in Malaysia
- Secured order from MovementTrade for the sale of BoltEx® in West Africa
- Secured purchase order from Trident BMC LLC for the sale of BoltEx®
- SRJ Consulting Project extension for asset integrity scope for a leading FPSO operator

Earnings Per Share

	Period ended 30 June 2023	*Period ended 30 June 2022*
	£	*£*
Loss for the period	**(650,706)**	*(1,878,000)*
Weighted average number of shares	**137,418,791**	*119,335,573*
Basic and diluted loss per share	**(0.005)**	*(0.02)*

Results of operations and financial position
Revenues increased 61% to £724,116 for the 6 months to 30 June 2023 (30 June 2022: £449,313). This was primarily due to an increase in BoltEx® rentals and sales. Administration expenses fell by 43% to £1,214,083 for the 6 months to 30 June 2023 (30 June 2022: £2,127,623) The reduction was primarily due to costs being incurred in the prior period for IPO share based payments (£458,411) and acquisition costs for the STATS transaction (£227,400) both of which are now fully charged. The remaining reduction was due to operational cost efficiencies including senior management remuneration reductions.

The Group's cash position as at 30 June 2023 was £407,321 (30 June 2022: £299,912). To ensure there are sufficient financial resources to fund the anticipated revenue growth and support the operational activities, on 15 February 2023 the Company signed an agreement for a convertible loan facility that provided an immediate A$750,000 (£422,495) of capital and a further A$650,000 (£352,711) that was drawn down on 29 March 2023. A further A$2,100,000 is available to be drawn at the mutual consent of the facility provider and the Company. This facility will support ongoing operational expenditure.

Going Concern
The Group made a loss in the period in the amount of £650,706 (30 June 2022: £1,878,000) and as at 30 June 2023 had net assets of £403,909 (30 June 2022: net assets of £513,228). In assessing the going concern of the Group, management have prepared cash flow forecasting and performed sensitivity analysis as to whether the Group has adequate funding to meet its short-term liabilities in the 12 months following approval of the financial statements. Key considerations are outlined below.

Going Concern (continued)
The Directors have a reasonable expectation that both further sales of the product and/or consulting fees will be achieved on top of those purchase orders already received for 2023 but there is no guarantee as to the level of additional sales that will occur or indeed the timing of the cash inflows and it may not be sufficient to offset the current outflow from operational activities. To ensure there are sufficient financial resources to fund the anticipated revenue growth and support the operational activities, on 15 February 2023 the Company signed an agreement for a convertible loan facility of A$3,500,000 of convertible securities (the "Facility"). With A$1,400,000 drawn down during the period, a balance of A$2,100,000 remains available to be drawn down by mutual consent of the facility provider and the Company.

As part of the going concern assessment the Directors considered the requirement to potentially settle the outstanding convertible loan note in cash in April 2024. They acknowledge they will need to take steps to restructure such debt or seek a fund raise to replace this with equity. The Directors are already actively investigating options to address this. Having prepared a cash flow forecasting model and performed sensitivity analysis as to whether the Group has adequate funding to meet its short-term liabilities the findings are sufficient for the Directors to conclude that these circumstances do not cast significant doubt upon the Group's ability to continue as a going concern and prepare the financial statements on a going concern basis. It is however acknowledged that the Company may be required to undertake another fund raise either through debt or equity as a result of uncertainty over the need to repay the convertible loan, timing of cash inflows and sales levels themselves.

Dividends paid
There were no dividends paid in the period under review (2022 - £nil).

Results
The Consolidated Statement of Comprehensive Income for the period is set out on page 5.

Directors
The directors who served during the period and subsequently were:

Alexander Wood
Robin Pinchbeck
Roger Smith (appointed 15 January 2023)
Grant Mooney (resigned 14 January 2023)

Disclosure of information to independent accountant reviewer
Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:
• so far as the director is aware, there is no relevant audit information of which the Company and the Group's independent accountant reviewer is unaware, and
• the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant information and to make themselves aware and make that information available to the Group's independent accountant reviewer.

Post balance sheet events
Subsequent events have been evaluated up to the date that the financial statements were approved and authorised for issue by the Board of Directors. There have been no material events requiring adjustment or disclosure in these financial statements.

Company secretary
The Company secretary who held office throughout the period and subsequently was Benjamin Donovan.

This report was approved by the board and signed on its behalf.

Director: Alexander Wood
Date: 31 August 2023

Statement of Directors' Responsibilities
For the period ended 30 June 2023

The directors are responsible for preparing the Directors' Report and the consolidated financial statements in accordance with applicable law and generally accepted accounting practice.

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that period.

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

- select suitable accounting policies for the Group's financial statements and then apply them consistently;

- make judgments and accounting estimates that are reasonable and prudent;

- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and to enable them to ensure that the financial statements comply with the Companies (Jersey) Law 1991. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors acknowledge the independent accountant reviewer's right of access at all times to the Group's records and acknowledge that it is an offence for anyone to recklessly or knowingly supply information to the independent accountants reviewer which is false or misleading and to fail to promptly provide information requested.

Independent auditor's review report
To the members of SRJ Technologies Group Plc

We have reviewed the financial statements of SRJ Technologies Group Plc (the 'Company') and its subsidiaries (the "Group") for the period ended 30 June 2023, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows and notes to the consolidated interim financial statements, including a summary of significant accounting policies.

Directors' responsibilities
As explained more fully in the Statement of Directors' Responsibilities set out on page 3, the half-yearly financial report is the responsibility of, and has been approved by, the Directors. The directors are responsible for preparing the half-yearly financial report in accordance with applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 104 - Interim Financial Reporting (FRS104). As disclosed in note 1 the annual financial statements of the company are prepared in accordance with United Kingdom Financial Reporting Standards in conformity with the requirements of the Companies (Jersey) Law 1991.

Our responsibility
Our responsibility is to express a conclusion to the company on the interim set of financial statements based on our review.

Scope of Review
We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Material Uncertainty related to Going Concern
We draw attention to note 2.3 to the consolidated interim financial statements which indicates that the Group made a loss in the period in the amount of £650,706 (30 June 2022: £1,878,000) and that as at 30 June 2023 the Group was in a net current liability position of £327,321. Management's evaluation of the Group's ability to continue as a going concern, the convertible loan facility fund raise and plans to mitigate these matters are also described in note 2.3. The Directors, however, acknowledge that the Group may be required to undertake another fund raise either through debt or equity as a result of uncertainty over the timing of cash inflows and sales levels. These events or conditions, along with the other matters as set forth in note 2.3, indicate that a material uncertainty exists that may cast significant doubt in the ability of the Company to continue as a going concern. Our conclusion is not modified in respect of this matter.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements have not been prepared:

- so as to give a true and fair view of the state of the Group's affairs as at 30 June 2023, and of its comprehensive loss for the period then ended;
- in accordance with United Kingdom Generally Accepted Accounting Practice; and
- in accordance with the requirements of the Companies (Jersey) Law 1991.

Use of our report
This report is made solely to the company, as a body, in accordance with International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. Our review work has been undertaken so that we might state to the company those matters we are required to state to it in an independent review 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 as a body, for our review work, for this report, or for the conclusion we have formed.

Grant Thornton

Grant Thornton Limited
Chartered Accountants
St Helier, Jersey, Channel Islands

Date: 31 August 2023

Consolidated Statement of Comprehensive Income
For the period ended 30 June 2023

	Notes	Period ended 30 June 2023 £	*Period ended 30 June 2022 £*	*Year ended 31 December 2022 £*
Turnover	4	**724,116**	*449,313*	*932,206*
Cost of sales		**(123,066)**	*(198,548)*	*(391,470)*
Gross profit		**601,050**	*250,765*	*540,736*
Administrative expenses		**(1,214,083)**	*(2,127,623)*	*(3,798,423)*
Other operating income (R&D tax credits)		**-**	*-*	*35,097*
Operating loss		**(613,033)**	*(1,876,858)*	*(3,222,590)*
Interest expense		**(37,673)**	*(1,142)*	*(2,740)*
Loss for the financial period/year		**(650,706)**	*(1,878,000)*	*(3,225,330)*
Other comprehensive income that may be reclassified to profit or loss in subsequent periods (net of tax)				
Gain on translation of foreign subsidiary		**2,509**	*15,818*	*12,700*
Total comprehensive loss for the period/year		**(648,197)**	*(1,862,182)*	*(3,212,630)*
Total comprehensive loss for the period/year attributable to:				
Ordinary equity holders of the parent		**(648,197)**	*(1,862,182)*	*(3,212,630)*
Earnings Per Share				
Basic and diluted loss per share for the period attributable to ordinary equity holders of the parent		**(0.005)**	*(0.02)*	*(0.03)*

There were no recognised gains and losses for the period ended 30 June 2023, period ended 30 June 2022 or year ended 31 December 2022 other than those included in the consolidated statement of comprehensive income.

The notes on pages 9 to 22 form part of these financial statements.

Consolidated Statement of Financial Position
As at 30 June 2023

	Notes	**30 June 2023 £**	*30 June 2022 £*	*31 December 2022 £*
Fixed assets				
Intangible assets	**8**	**713,524**	*820,033*	*762,853*
Tangible assets	**9**	**50,144**	*219,136*	*161,108*
		763,668	*1,039,169*	*923,961*
Current assets				
Inventory	**10**	**75,278**	*26,186*	*25,980*
Debtors: amounts falling due within one year	**11**	**246,712**	*169,345*	*366,610*
Cash at bank and in hand		**407,321**	*299,912*	*559,539*
		729,311	*495,443*	*952,129*
Current liabilities				
Creditors: amounts falling due within one year	**12**	**(605,431)**	*(977,715)*	*(738,174)*
Loans payable	**13**	**(451,201)**	-	*(421,350)*
		(1,056,632)	*(977,715)*	*(1,159,524)*
Net current liabilities		**(327,321)**	*(482,272)*	*(207,395)*
Total assets less current liabilities		**436,347**	*556,897*	*716,566*
Non-current liabilities				
Creditors: amounts falling due after one year	**14**	**(32,438)**	*(43,669)*	*(39,013)*
Net assets		**403,909**	*513,228*	*677,553*
Capital and reserves				
Issued share capital	**16**	**27,131**	*22,231*	*24,197*
Share premium account	**16**	**16,706,998**	*13,974,414*	*15,216,406*
Share based payment reserve		**786,841**	*1,634,999*	*1,905,814*
Translation reserve		**8,921**	*9,530*	*6,412*
Retained losses		**(17,125,982)**	*(15,127,946)*	*(16,475,276)*
		403,909	*513,228*	*677,553*

The financial statements were approved and authorised for issue by the board on 31 August 2023 and were signed on its behalf by:

Name: Alexander Wood
Director

Date: 31 August 2023

The notes on pages 9 to 22 form part of these financial statements.

SRJ Technologies Group Plc

Consolidated Statement of Changes in Equity
For the period ended 30 June 2023

	Issued share capital £	Share premium £	Share based payment reserve £	Translation reserve £	Retained losses £	Total equity £
At 1 January 2022	21,639	13,606,004	1,176,588	(6,288)	(13,249,946)	1,547,997
Total comprehensive loss for the period	-	-	-	15,818	(1,878,000)	(1,862,182)
Share capital issued	592	368,410	-	-	-	369,002
Issue of share awards (note 6)	-	-	458,411	-	-	458,411
At 30 June 2022	**22,231**	**13,974,414**	**1,634,999**	**9,530**	**(15,127,946)**	**513,228**
Total comprehensive loss for the period	-	-	-	(3,118)	(1,347,330)	(1,350,448)
Share capital issued	1,966	1,241,992		-	-	1,243,958
Issue of share awards (note 6)	-	-	270,815	-	-	270,815
At 31 December 2022	**24,197**	**15,216,406**	**1,905,814**	**6,412**	**(16,475,276)**	**677,553**
Total comprehensive loss for the period	-	-	-	2,509	(650,706)	(648,197)
Issue of share capital in lieu of fees and repayment of convertible loan notes	2,180	397,026	-	-	-	399,206
Issue of share capital on exercise of employee and NED rights (note 6)	754	1,093,566	(1,094,320)	-	-	-
Adjustment to SBPR re previous year (note 6)	-	-	(24,653)	-	-	(24,653)
At 30 June 2023	**27,131**	**16,706,998**	**786,841**	**8,921**	**(17,125,982)**	**403,909**

The notes on pages 9 to 22 form part of these financial statements.

Consolidated Statement of Cash Flows
For the period ended 30 June 2023

	Period ended 30 June 2023	*Period ended 30 June 2022*	*Year ended 31 December 2022*
	£	*£*	*£*
Cash flows used in operating activities			
Loss for the financial period	**(650,706)**	*(1,878,000)*	*(3,225,330)*
Adjustments for:			
Amortisation of intangible assets	**54,762**	*54,885*	*109,537*
Depreciation of tangible assets	**10,384**	*54,320*	*108,392*
Interest paid	**37,673**	*1,142*	*2,740*
Share based payments for directors' fees	**(24,653)**	-	*72,175*
Fees settled by issue of CDIs	**112,167**	-	-
Unvested share based payments awarded	**-**	*458,411*	*657,052*
Unrealised loss/(gain) on foreign exchange	**(13,665)**	*21,850*	*12,002*
Unrealised gain on foreign exchange on convertible loan notes	**(37,362)**	-	-
Decrease/(increase) in inventory	**1,615**	*(1,670)*	*(1,464)*
Decrease in BoltEx® stock inventory	**49,667**	-	-
Decrease/(increase) in debtors	**119,898**	*108,060*	*(89,205)*
(Decrease)/increase in creditors	**(132,178)**	*65,624*	*(174,308)*
Net cash used in operating activities	**(472,398)**	*(1,115,378)*	*(2,528,409)*
Cash flows from investing activities			
Purchase of intangible fixed assets	**(5,433)**	*(42,152)*	*(39,624)*
Adjustment re GST refund	**-**	-	*3,956*
Net cash used in investing activities	**(5,433)**	*(42,152)*	*(35,668)*
Cash flows from financing activities			
Issue of ordinary shares	**-**	*369,002*	*1,612,960*
Repayments towards finance lease	**(7,140)**	*(4,323)*	*(6,019)*
Unrealised loss on foreign exchange on finance lease liability	**-**	*2,570*	-
Interest paid	**(37,673)**	*(1,142)*	*(2,740)*
Directors' loans	**-**	-	*421,350*
Repayment of directors' loans	**(421,350)**	-	-
Drawdown of convertible loan notes	**775,602**	-	-
Net cash provided/(used in) from financing activities	**309,439**	*366,107*	*2,025,551*
Net decrease in cash and cash equivalents	**(168,392)**	*(791,423)*	*(538,526)*
Effect of changes in foreign exchange rate			
Effect of translating results of an overseas subsidiary	**2,509**	*15,818*	*12,700*
Effect of changes in foreign exchange rates on cash and cash equivalents	**13,665**	*(21,850)*	*(12,002)*
	16,174	*(6,032)*	*698*
Cash and cash equivalents at beginning of period	**559,539**	*1,097,367*	*1,097,367*
Cash and cash equivalents at the end of period	**407,321**	*299,912*	*559,539*
Cash and cash equivalents at the end of period comprise:			
Cash at bank and in hand	**407,321**	*299,912*	*559,539*

1. General information

SRJ Technologies Group Plc (the "Company") is a public company incorporated in Jersey, Channel Islands on 29 April 2014 in accordance with the Companies (Jersey) Law 1991 with registration number 115590.

The registered office of the Company is Le Quai House, Le Quai d'Auvergne, St Helier, Jersey, JE2 3TN.

The principal activity of the Company is the holding of investments in the subsidiaries SRJ Limited incorporated in Jersey, Channel Islands, SRJ Technology Limited incorporated in the United Kingdom and SRJ Tech Australia Pty Ltd incorporated in Australia which are all 100% owned by the Company and are primarily involved in the development and distribution of a range of weld-free coupling and leak containment solutions for pipeline and process pipework systems and leak containment solutions. The products are designed primarily for pipe repair and the emergency replacement market but can also be integrated into new pipeline builds. The Company also offers Asset Integrity Management consulting services to help asset owners to develop and implement an effective asset integrity strategy. The Company also owns 100% of the issued share capital of Acorn Intellectual Properties Limited, a Company incorporated in Jersey which has the primary activity of holding intellectual property.

2. Summary of significant accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 104 Interim Financial Statements (FRS 104) and the Companies (Jersey) Law 1991. They do not include all of the information required in annual financial statements in accordance with FRS 102, and should be read in conjunction with the consolidated financial statements for the year ended 31 December 2022.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see Note 3).

There have been no changes to the accounting policies or methods of computation used in preparing the interim financial statements as were used in the most recent set of annual financial statements of the Group published for the year ended 31 December 2022.

The following principal accounting policies have been applied.

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and subsidiary entities controlled by the Company ("the Group") as if they form a single entity. Control is achieved where the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Intercompany transactions and balances between group companies are therefore eliminated in full.

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

The results of subsidiaries acquired or disposed of during the period are included in total comprehensive income from the effective date of acquisition and up to the effective date of disposal as appropriate using accounting policies consistent with those of the Parent. All intragroup transactions, balances, income and expenses are eliminated in full on consolidation.

2.3 Going concern

The Group made a loss in the period in the amount of £650,706 (30 June 2022: £1,878,000) and as at 30 June 2023 had net assets of £403,909 (30 June 2022: net assets of £513,228 and 31 December 2022: net assets of £667,553). In assessing the going concern of the Group, management have prepared cash flow forecasting and performed sensitivity analysis as to whether the Group has adequate funding to meet its short-term liabilities in the 12 months following approval of the financial statements. Key considerations are outlined below.

The Directors have a reasonable expectation that both further sales of the product and/or consulting fees will be achieved on top of those purchase orders already received for 2023 but there is no guarantee as to the level of additional sales that will occur or indeed the timing of the cash inflows and it may not be sufficient to offset the current outflow from operational activities. To ensure there are sufficient financial resources to fund the anticipated revenue growth and support the operational activities, on 15 February 2023 the Company signed an agreement for a convertible loan facility of A$3,500,000 of convertible securities (the "Facility"). With A$1,400,000 drawn down during the period, a balance of A$2,100,000 remains available to be drawn down by mutual consent of the facility provider and the Company.

2. Summary of significant accounting policies (continued)

2.3 Going concern (continued)

As part of the going concern assessment the Directors considered the requirement to potentially settle the outstanding convertible loan note in cash in April 2024. They acknowledge they will need to take steps to restructure such debt or seek a fund raise to replace this with equity. The Directors are already actively investigating options to address this. Having prepared a cash flow forecasting model and performed sensitivity analysis as to whether the Group has adequate funding to meet its short-term liabilities the findings are sufficient for the Directors to conclude that these circumstances do not cast significant doubt upon the Group's ability to continue as a going concern and prepare the financial statements on a going concern basis. It is however acknowledged that the Company may be required to undertake another fund raise either through debt or equity as a result of uncertainty over the need to repay the convertible loan, timing of cash inflows and sales levels themselves.

2.4 Foreign currency

Functional and presentation currency

The Company's functional currency is Pound Sterling (£) which is the presentation currency of the group consolidated financial statements.

Foreign translation

In the Group’s financial statements, all assets, liabilities and transactions of Group entities with a functional currency other than £ are translated into £ upon consolidation. The functional currencies of entities within the Group have remained unchanged during the reporting period.

On consolidation, assets and liabilities have been translated into £ at the closing rate at the reporting date. Income and expenses have been translated into £ at the average rate over the reporting period. Exchange differences are charged or credited to other comprehensive income and recognised in the currency translation reserve in equity. On disposal of a foreign operation, the related cumulative translation differences recognised in equity are reclassified to profit or loss and are recognised as part of the gain or loss on disposal.

Transactions and balances

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

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

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated Statement of Comprehensive Income within administration expenses.

2.5 Revenue

Turnover

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, after considering discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:
- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

The Group received revenue from operating leases in relation to rental equipment. The revenue was accounted for on a straight line basis over the term of the lease. The risks and rewards incidental to ownership remained with the Group.

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

The Group is not significantly affected by seasonality or cyclicity of operations.

2. Summary of significant accounting policies (continued)

2.5 Revenue (continued)

Other operating income

Other revenue comprises research and development tax credits granted by the UK and Australian tax authorities for qualifying research and development expenditure alongside other sundry income sources which do not fall under supply of goods or services to the Group's customers. Tax credits are recognised in the period to which the expenditure relates once agreed between the Group and the relevant tax authority. All other revenue items are recognised on an accruals basis.

2.6 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria set out in FRS102 relating to such costs are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which is estimated to be 13 years from the date in which the production and sale of the product commenced.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.7 Interest income

Interest income is recognised in the Consolidated Statement of Comprehensive Income using the effective interest method.

2.8 Finance costs

Finance costs are charged to the Consolidated Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs such as arrangement and transaction fees are deducted against the financial liability and recognised as a part of finance costs over the term of the instrument.

2.9 Pensions

Defined contribution

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

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

2.10 Share based payments

The Group provides share-based payment arrangements to certain employees, directors and consultants. Equity-settled arrangements are measured at fair value (excluding the effect of non-market based vesting conditions) at the date of the grant. The fair value is expensed on a straight-line basis over the vesting period. The amount recognised as an expense is adjusted to reflect the actual number of shares or options that will vest.

Where equity-settled arrangements are modified, and are of benefit to the employee, the incremental fair value is recognised over the period from the date of modification to date of vesting. Where a modification is not beneficial to the employee there is no change to the charge for share-based payment. Settlements and cancellations are treated as an acceleration of vesting and the unvested amount is recognised immediately in the Consolidated Statement of Comprehensive Income.

2.11 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The patents and development costs first became available for use in 2017 when production and sale of the product commenced. They are being amortised annually on a straight line basis up to 20 October 2029 which is the maximum duration the main patent application can be extended to. The basis for this amortisation is 13 years.

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

2. Summary of significant accounting policies (continued)

2.12 Impairment of assets

Non-financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, 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. In such cases an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

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.

2.13 Tangible fixed assets

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

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method, with the exception of motor vehicles, which is on a reducing balance method.

Depreciation is provided on the following basis:

Office equipment	-	20%	Straight line basis
Computer equipment	-	33%	Straight line basis
Plant and machinery	-	20%	Straight line basis
Seal moulds *	-	33%	Straight line basis
Rental equipment **	-	33%	Straight line basis
Motor vehicles	-	25%	Reducing balance basis

** Reclassified as rental equipment during 2022.*
*** Reclassified as inventory during the period (see note 10).*

The depreciation method for the motor vehicle was changed from a straight line basis to a reducing balance basis during the year ended 31 December 2022.

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Comprehensive Income.

2.14 Inventories

Inventories are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

The rental equipment initially used by the Group for leasing to third parties and therefore classified as fixed assets changed to primarily being a selling model from the start of 2023. As such, the fixed assets were reclassified to inventory at a value equivalent to the net book value brought forward, and subsequently adjusted for stock movements. The net realisable value of such assets on reclassification is considered to be in excess of the existing net book value of the fixed assets reclassified based on selling price achieved.

2.15 Debtors

Debtors are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2. Summary of significant accounting policies (continued)

2.16 Cash and cash equivalents

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

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.17 Creditors

Financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.18 Equity and reserves

Called up share capital represents the nominal (par) value of shares that have been issued.

Share premium includes any premiums received on the issue of share capital. Directly attributable costs in respect of the raising of capital are offset against the total proceeds of the share issue in the Consolidated Statement of Financial Position by deducting this from share premium, net of any related income tax benefits.

Other components of equity include the following:

• Share based payment reserve – comprises the pro-rated expense of granted equity-settled share based payments which have met the prerequisite performance criteria. Once the vesting period has expired the value of all eligible awards which comprise the share based payment reserve will be transferred to share capital and share premium.

• Translation reserve – comprises foreign currency translation differences arising from the translation of financial statements of the Group's foreign entities into £.

2.19 Financial instruments

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

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

2.20 Convertible debt

A convertible bond whereby the issuer is obligated to pay principal and interest, but the holder has an option to convert their holding into a fixed number of equity shares of the issuer is classified as a compound financial instrument. From the issuer's perspective this bond contains two elements, a financial liability represented by the obligation to deliver cash payments and an equity element, represented by the obligation to deliver a fixed number of equity shares. A convertible that allows for conversion into a variable number of shares has no equity element.

The proceeds received on issue of the Group's convertible debt are allocated into their liability and equity components.

The amount initially attributed to the debt component (other than those with a maturity within one year) equals the discounted cash flows using a market rate of interest that would be payable on a similar debt instrument without the option to convert. On conversion, the debt element is credited to share capital and share premium as appropriate.

Where applicable, the difference between the net proceeds of the convertible debt and the amount allocated to the debt component is credited directly to equity and is not subsequently remeasured. On conversion, the equity element is credited to share capital and share premium as appropriate.

Transaction costs that relate to the issue of the instrument are allocated to the liability and equity components of the instrument in proportion to the allocation of proceeds.

After initial recognition the equity component is not remeasured, and the liability is measured at amortised cost where it meets the criteria to be accounted for as a basic financial instrument.

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

In preparing the consolidated financial statements management is required to make estimates and assumptions that affect amounts presented therein. These estimates and assumptions are based on past experience or the other factors and are believed to be reasonable in the circumstances.

Impairment of intangible assets

The carrying value of intangible assets, which comprise Intellectual Property in the form of patent and development costs (IP), are dependent on the expected future revenue from product sales and services rendered in connection with the IP. The patents and development costs, residual values, useful lives and amortisation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date. In assessing if there has been an indication of impairment the Directors considered both external and internal factors dictated by FRS 102 alongside other considerations as to the current position of the Company. A key factor considered was that revenues have increased by 61% compared to the previous period and secured orders as of end of July 2023 exceeded prior year total revenues by 35%. An impairment review was performed and it was concluded that there was no impairment.

Useful life of intangible assets

The basis for estimate the useful life of intangible assets is disclosed in note 8.

4. Turnover

Turnover, analysed geographically between markets, was as follows:

	30 June 2023			
	Rental income	**Product sales**	**Services rendered**	**Total**
	£	**£**	**£**	**£**
Jersey	**-**	**318,769**	**26,302**	**345,071**
United Kingdom	**-**	**4,325**	**19,082**	**23,407**
Australia	**1,696**	**348,663**	**5,279**	**355,638**
	1,696	**671,757**	**50,663**	**724,116**

	30 June 2022			
	Rental income	*Product sales*	*Services rendered*	*Total*
	£	*£*	*£*	*£*
Jersey	-	*270,040*	*14,109*	*284,149*
United Kingdom	-	*6,590*	*83,737*	*90,327*
Australia	-	*69,711*	*5,126*	*74,837*
	-	*346,341*	*102,972*	*449,313*

5. Auditor remuneration

	Period ended 30 June 2023	*Period ended 30 June 2022*	*Year ended 31 December 2022*
	£	*£*	*£*
Annual audit	**-**	-	*40,550*
Interim review	**15,000**	*13,000*	*19,570*
Non-audit services	**-**	-	*11,982*
	15,000	*13,000*	*72,102*

Non-audit services are provided by both Grant Thornton Limited (Channel Islands) and Grant Thornton Australia Limited. These mostly represent fees in respect of the financial, tax and other due diligence of STATS UK in relation to the potential acquisition.

6. Share based payments

	No of Performance Rights
Non-Executive Directors and consultants	**580,000**
Management and employees	**7,434,000**
	8,014,000

Under the Employee Incentive Program (EIP), 1 Performance Right ("PR") is the equivalent of 1 Chess Depositary Interest (CDI). The award date of the PRs was 14 August 2020 and grant date was 18 September 2020 (the listing date of the Group shares). PRs issued will vest 24 months after the issue date and be subject to the following vesting conditions;

- the Company's CDIs reaching a target 15 day VWAP post Listing; and
- continuity of engagement (for consultants and Non-Executive Directors) or continuity of employment (for management and employees) for the period from Listing until the vesting date.

	Target 15-day VWAP A$	No of Performance Rights
Tranche 1	0.60	4,024,000
Tranche 2	0.65	2,470,000
Tranche 3 - forfeited as performance criteria not met	0.75	1,520,000

The 15-day VWAP target for all three tranches was met at IPO therefore the performance criteria of Tranches 1 and 2 were achieved on IPO. Tranche 3 had additional performance criteria relating to revenue targets that were not achieved and as such this tranche of performance rights was forfeited and advised to the respective parties on 5 August 2022. The forfeiture had no profit or loss impact as the performance conditions had not been met before.

On the grant date, the CDIs had fair value of A$0.50 each. The expense to the Group based on qualifying PRs issued is analysed as follows;

	Fair value per CDI A$	No of Performance Rights	Period ended 30 June 2023 £	*Period ended 30 June 2022 £*
Directors remuneration	0.50	5,320,001	-	*375,538*
Staff remuneration	0.50	973,999	-	*67,628*
Consultancy fees	0.50	200,000	-	*15,245*
			-	*458,411*

Performance Rights of 3,707,333 amounting to £1,046,799 were issued in March 2023 as CDIs.

Vested Performance Rights totalling 2,786,667 have not yet been issued as at 30 June 2023, including 1,646,667 to Alexander Wood. These are options to acquire the Performance Rights and as yet have not been exercised. Such options will lapse if not exercised by 18 September 2023.

NED Rights	No of Performance Rights
Non-Executive Directors	**438,724**

A NED Right is an entitlement to one fully paid ordinary share in the Company, issued under the SRJ Equity Incentive Plan. NED Rights were granted to the Company’s non-executive Directors, being Mr Robin Pinchbeck, Mr Grant Mooney and Mr Andrew Mitchell on 16 December 2022 for nil consideration and with a nil exercise price. These non-executive Directors agreed to forgo their entitlement to be paid director fees in cash for the following amounts in 2022:

a) Mr Robin Pinchbeck - A$45,250;
b) Mr Grant Mooney - A$21,247; and
c) Mr Andrew Mitchell A$21,427.

6. Share based payments (continued)

These Directors instead received such number of NED Rights equal in value to these cash fees. NED Rights will lapse if it is not exercised within 15 years of the grant date. The NED Rights may not be exercised within 90 days of the grant date. The NED Rights are 'restricted rights' in that the NED Rights, and any Shares/CDIs issued upon exercise of a NED Right, may not be disposed of prior to the date that the non-executive director ceases to hold office or employment with the Company, or prior to 15 years from the grant date (if earlier) (Disposal Restriction).

The NED rights shares of 438,724 amounting to £47,521 were issued as CDIs in March 2023.

In the December 2022 financial statements, it was believed fees for October-December 2022 amounting to £24,653 would be settled in CDIs. However, it subsequently transpired only fees owing as of September 2022 (£47,521) were to be settled in CDIs, with the fees for October-December 22 remaining as a payable to the directors. An adjustment from the equity reserve was made to payables, reducing the amount from the £72,174 initially provided to £47,521, as set out above. The outstanding balances in relation to the £24,653 as at 30 June 2023 are included within accruals and other payables.

7. Remuneration of key management personnel and employees

	Period ended 30 June 2023 £	*Period ended 30 June 2022 £*	*Year ended 31 December 2022 £*
Directors			
Salaries and fees	**317,099**	*421,621*	*835,196*
Pension and Superannuation costs	**7,745**	**-**	*9,730*
Health insurance	**4,880**	**-**	-
Share based payment awards	**-**	*375,538*	*538,268*
	329,724	*797,159*	*1,383,194*

	Period ended 30 June 2023 £	*Period ended 30 June 2022 £*	*Year ended 31 December 2022 £*
Employees			
Wages and salaries	**255,586**	*439,602*	*684,204*
Pension and Superannuation costs	**31,064**	*32,569*	*69,175*
Health insurance	**6,946**	*15,987*	*28,569*
Share based payment awards	**-**	*67,628*	*118,784*
	293,596	*555,786*	*900,732*

Key management personnel are considered to be all directors of the Company, the Chief Financial Officer and Technical Director.

The cost of employees delivering consultancy services and engineering/operational support in delivering products is charged to cost of sales in accordance with their hourly rate and time spent in delivering the service contract. In the period, wages and salaries of £53,846 (Year Ended 2022: £147,839) was charged to cost of sales.

The average number of employees of the Group during the period was 13 (2022: 13)

8. Intangible assets

	Patents £	Development expenditure £	Total £
Cost			
At 1 January 2022	*505,492*	*786,016*	*1,291,508*
Additions	*42,152*	**-**	*42,152*
At 30 June 2022	*547,644*	*786,016*	*1,333,660*
Additions/adjustments	(2,528)	-	*(2,528)*
At 31 December 2022	**545,116**	**786,016**	**1,331,132**
Additions/adjustments	**5,433**	**-**	**5,433**
At 30 June 2023	**550,549**	**786,016**	**1,336,565**
Amortisation			
At 1 January 2022	*177,758*	*280,984*	*458,742*
Charge for the period	*23,166*	*31,719*	*54,885*
At 30 June 2022	*200,924*	*312,703*	*513,627*
Charge for the period	*22,923*	*31,729*	*54,652*
At 31 December 2022	**223,847**	**344,432**	**568,279**
Charge for the period	**23,044**	**31,718**	**54,762**
At 30 June 2023	**246,891**	**376,150**	**623,041**
Net book value			
At 30 June 2023	**303,658**	**409,866**	**713,524**
At 30 June 2022	*346,720*	*473,313*	*820,033*
At 31 December 2022	*321,269*	*441,584*	*762,853*

The patents and development costs first became available for use in 2017 when production and sale of the product commenced. They are being amortised annually on a straight line basis up to 20 October 2029 which is the maximum duration the main patent application can be extended to.

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

It should be noted that amortisation costs are included within administrative expenses within the Consolidated Statement of Comprehensive Income.

The patents and development costs, residual values, useful lives and amortisation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date. In assessing if there was an indication of impairment, the Directors considered both external and internal factors dictated by FRS 102 alongside other considerations as to the current position of the Company. An impairment review was performed and it was concluded that there was no impairment.

9. Tangible fixed assets

	Motor vehicles	Rental equipment	Seal moulds	Plant and machinery	Office equipment	Computer equipment	Total
Cost	£	£	£	£	£	£	£
At 1 January 2022	*60,355*	*231,659*	*2,221*	*32,680*	*12,250*	*30,521*	*369,686*
Reclassification	-	*2,221*	*(2,221)*	-	-	-	-
At 30 June 2022	*60,355*	*233,880*	-	*32,680*	*12,250*	*30,521*	*369,686*
Adjustment	(3,956)						
At 31 December 2022	**56,399**	**233,880**	**-**	**32,680**	**12,250**	**30,521**	**365,730**
Additions	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Reclassification	**-**	**(233,880)**	**-**	**-**	**-**	**-**	**(233,880)**
At 30 June 2023	**56,399**	**-**	**-**	**32,680**	**12,250**	**30,521**	**131,850**
Depreciation							
At 1 January 2022	*9,010*	*51,260*	*861*	*8,819*	*7,087*	*19,193*	*96,230*
Charge for the period	*6,258*	*40,777*	-	*3,241*	*780*	*3,264*	*54,320*
Reclassification	-	*861*	*(861)*	-	-	-	-
At 30 June 2022	*15,268*	*92,898*	-	*12,060*	*7,867*	*22,457*	*150,550*
Charge for the period	*5,863*	*40,402*	-	*3,281*	*784*	*3,096*	*53,426*
Under provision previous year	*647*	-	-	-	-	-	*647*
At 31 December 2022	*21,778*	*133,300*	-	*15,341*	*8,651*	*25,553*	*204,622*
Charge for the period	**4,246**	**-**	**-**	**3,173**	**757**	**2,208**	**10,384**
Reclassification	**-**	**(133,300)**	**-**	**-**	**-**	**-**	**(133,300)**
At 30 June 2023	**26,024**	**-**	**-**	**18,514**	**9,408**	**27,761**	**81,706**
At 30 June 2023	**30,375**	**-**	**-**	**14,166**	**2,842**	**2,760**	**50,144**
At 30 June 2022	*45,087*	*140,982*	-	*20,620*	*4,383*	*8,064*	*219,136*
At 31 December 2022	*34,621*	*100,580*	-	*17,339*	*3,599*	*4,968*	*161,108*

9. Tangible fixed assets (continued)

During 2022, the seal moulds were reclassified as rental equipment. Rental equipment was previously used by the Group for leasing to third parties and was subject to operating lease agreements. At the beginning of 2023, the use of the rental equipment (BoltEx® stock) changed primarily to being a selling model. As such, the fixed assets were reclassified as inventory at a value equivalent to the net book value at 31 December 2022 (see note 10).

The vehicle cost was reduced in 2022 after an adjustment was subsequently made for GST reclaimable. This has not been accounted for as a prior year adjustment. The depreciation policy of the vehicle changed at the beginning of the year from 10% straight line to 25% reducing balance. This has been applied prospectively as it is a change in estimation technique not a change in accounting policy.

It should be noted that the motor vehicle is under a finance lease.

No indicators of impairment were noted during the period hence no impairment expense was recognised (30 June 2022: £nil and 31 December 2022: £nil).

10. Inventory

	30 June 2023	*30 June 2022*	*31 December 2022*
	£	*£*	*£*
BoltEx® stock	**50,913**	-	-
Inventory of parts/finished products - at cost	**24,365**	*26,186*	*25,980*
	75,278	*26,186*	*25,980*

Management undertook an assessment of the value of parts alongside a Senior Engineer from SRJ. Such is the mark up achievable on the finished products, the conclusion was made that the NRV was not lower than the cost.

The rental equipment fixed assets (BoltEx® stock) initially used by the Group for leasing to third parties changed to primarily being a selling model from the start of the period. As such, the fixed assets were reclassified to inventory at a value equivalent to the net book value brought forward (£100,580), and subsequently adjusted for stock movements. The net realisable value of such assets on reclassification is considered to be in excess of the existing net book value of the fixed assets reclassified based on selling price achieved.

11. Debtors

	30 June 2023	*30 June 2022*	*31 December 2022*
	£	*£*	*£*
Trade debtors	**154,582**	*116,702*	*204,968*
Other debtors	**16,409**	*27,323*	*36,877*
Prepayments and accrued	**44,194**	*25,320*	*91,015*
Called up share capital not paid	**31,527**	-	*33,750*
	246,712	*169,345*	*366,610*

12. Creditors: Amounts falling due within one year

	30 June 2023	*30 June 2022*	*31 December 2022*
	£	*£*	*£*
Finance lease payable	**8,013**	*8,647*	*8,578*
VAT payable	**13,659**	*2,015*	-
Trade creditors	**400,162**	*702,525*	*536,568*
Deferred income	**46,619**	-	-
Funds held on account	**-**	*113,404*	-
Accruals and other payables	**136,978**	*151,124*	*193,028*
	605,431	*977,715*	*738,174*

The finance lease is with Power Alliance Finance and is in respect of the acquisition of a commercial vehicle by SRJ Tech Australia Pty Ltd. The consideration paid for the vehicle was AU$111,924 (£60,355). The lease is for 60 months with interest accruing at 4.99%. During the period, £7,140 and £1,058 of capital and interest respectively was paid.

Funds held on account for the period 30 June 2022 related to investor subscription funds received and held by the Company at the period end in respect of the CDIs which were not issued until 11 July 2022.

13. Loans payable

	30 June 2023 £	*30 June 2022 £*	*31 December 2022 £*
Convertible loan notes (see note 15)	**451,201**	-	-
Directors' loans	**-**	-	*421,350*
	451,201	-	*421,350*

In the year ended 31 December 2022, two directors agreed to provide an unsecured, interest free bridging facility of £421k in total, with no fees, whilst the new convertible loan facility was being agreed. This was subsequently repaid on 11 January 2023.

14. Creditors: Amounts falling due after one year

	30 June 2023 £	*30 June 2022 £*	*31 December 2022 £*
Finance lease payable (see note 12)	**32,438**	*43,669*	*39,013*

15. Convertible debt

On 15 February 2023 the Company signed an agreement for a convertible loan facility of A$3,500,000 of convertible securities (the "Facility").

Tranche 1 of the Facility with Mercer Street Global Opportunity Fund LLC (Mercer), consists of 1,610,000 Convertible Notes, comprised of A$1,400,000 principal ("Principal Amount") and A$210,000 Original Issue Discount ("OID") (Tranche1). Of this amount, 862,500 Convertible Notes for A$750,000 (£422,495) was drawn down on 24 February 2023 with the remaining 747,500 Convertible Notes for a total of A$650,000 (£353,107) drawn down on 29 March 2023.

During the period, Mercer converted 525,000 of notes (value £278,863) , equating to 10,500,000 shares.

A further tranche of Convertible Notes in respect of the Second Convertible Security ("Second Tranche") will be issued with an individual face value of A$1 (that is, a total of up to 2,415,000 Tranche 2 Notes will be issued) subject to mutual consent of the Company and Mercer. SRJ can draw down a minimum of A$500,000. The Tranche 1 and Tranche 2 Notes are convertible into common shares at 90% of the lowest two (2) VWAPS ("Conversion Price A") during the fifteen (15) trading days immediately prior to notice of conversion by the Investor subject to a minimum conversion price of A$0.05. As part of the fee for the facility, the Company issued to Mercer CDIs for nil consideration equal to 3% of the Total Amount of A$3,500,000, being 763,864 CDIs, calculated based on the 15 day VWAP of CDIs prior to the date of the Convertible Securities Agreement. These CDIs were issued to Mercer at the same time as the Tranche 1 Convertible Notes. Following the initial draw downs this leaves a remaining facility of A$2,100,000 (£1,103,445) as at 30 June 2023. The Facility matures on 1 April 2024.

On issuing convertible debt, the Company allocates the proceeds between a liability component and an equity component in accordance with the substance of the agreement and FRS 102. For the convertible loan facility signed in February 2023, the Company has no unconditional ability to avoid settling at the maturity date. Mercer retain control and can either convert or request repayment at the maturity date. As such, the amount drawn down is considered to be wholly debt in nature until any conversion occurs. The 'fixed for fixed' criterion is not met as the holder has the option to convert into a variable number of shares, hence the convertible debt does not contain an equity component and is wholly classified as a financial liability.The liability has been treated as a basic financial instrument measured at amortised costs as FRS 102 does not use the term 'embedded derivative' and there is no requirement or ability for a company which chooses to account for financial instruments in accordance with the requirements of sections 11 and 12 of FRS 102 to separate the host contract and embedded derivative.

As part of the Facility the Company issued 10,400,238 Options to Mercer. The exercise price of each Option is A$0.168 and will equate to one Ordinary share/CDI in the Company. The expiry date is March 2026. Management considered the fair value of the Options with reference to the current Company share price and concluded it would not be appropriate to allocate any expense in relation to the Options in this periods Statement of Comprehensive Income. Management will undertake a similar assessment at the end of each reporting period.

15. Convertible debt (continued)

The Company also previously issued 9,270,949 options to other parties as approved in the Company AGM in December 2022. The exercise price of each Option is A$0.25 and will equate to one Ordinary share/CDI in the Company. The expiry date is October 2025. Management also considered the fair value of these options with reference to the current Company share price and concluded it would not be appropriate to allocate any expense in relation to the options in this periods Statement of Comprehensive Income. Management will undertake a similar assessment at the end of each reporting period.

16. Issued capital

	30 June 2023 £	*30 June 2022 £*	*31 December 2022 £*
Allotted, called up and fully paid			
149,222,978 Ordinary shares of £0.00018181819 (31 December 2022 - 133,082,177 Ordinary shares of £0.00018181819 and 30 June 2022 - 122,269,239 Ordinary shares of £0.00018181819)			
	27,131	*22,231*	*24,197*

Movements in share capital for the period are reconciled as below;

	Shares in issue	*Share capital £*	*Share premium £*
Allotted, called up and fully paid			
At 1 January 2023	*133,082,177*	*24,197*	*15,216,406*
Shares issued to investors	*16,140,801*	*2,934*	*1,490,592*
At 30 June 2023	*149,222,978*	*27,131*	*16,706,998*

The ASX uses an electronic system called CHESS for the clearance and settlement of trades. The Company is a Jersey Company incorporated under the Companies (Jersey) Law 1991, which does not recognise the CHESS system of holding securities. Accordingly, to enable the securities to be cleared and settled electronically through CHESS, depositary instruments called CDIs are issued. CDIs represent the beneficial interest in the underlying shares in a foreign company listed on the ASX and are traded in a manner similar to shares of listed Australian companies. Each CDI represents an interest in one share of SRJ.

17. Related party transactions

AVI Partners Limited (AVI) is a related party by virtue of having a common shareholder with a significant shareholding in the Company. A wholly owned subsidiary of AVI rents office space to the Company, the charge in the period was £12,000 (30 June 2022: £12,000), equivalent to £2,000 per month.

During the period key management personnel (defined as all directors of the Company, the Chief Financial Officer and Technical Director) of the Group received total compensation of £329,724 comprised of employment and post-employment benefits (30 June 2022: £421,621) and £Nil of share based payments (30 June 2022: £375,538).

The Company has a Strategic Management Services consultancy agreement with Devi5e Pty, a Company owned by David Milner who is a director of SRJ Tech Australia Pty Ltd. The expense in the period was £32,909 (30 June 2022: £51,201).

The interests of the Directors in the capital of the Company at the period end date are set out in the table below:

Director	**Securities**	**% (undiluted)**	**% (fully diluted)**
Robin Pinchbeck	861,934 Ordinary shares/CDIs 226,250 NED Rights issued as CDIs	0.73%	0.56%
Alexander Wood	206,250 Ordinary Shares/CDIs 1,646,667 Performance Rights	0.14%	0.96%
Roger Smith	1,833,333 Ordinary Shares/CDIs	1.23%	0.95%

17. Related party transactions (continued)

Further to the Ordinary Shares held directly by Alexander Wood there are 27,326,655 Ordinary Shares held by AVI Partners Limited, a company in which Alexander Wood holds 19.0% of the issued shares. AVI Partners has a shareholding of 18.31% of the undiluted shares and 14.13% of the fully diluted shares in issue of the Group.

18. Leases for premises

The lease between SRJ Technologies Group Plc and AVI Partners Limited for the premises "Le Quai House" expired on 18 June 2021. Whilst a new lease has not yet been signed monthly rentals of £2,000 have continued under the same term.

19. Analysis of changes in net (debt)/funds

	At 1 January 2023	Cash flows	Other non-cash changes	At 30 June 2023
Cash and cash equivalents	£	£	£	£
Cash at bank and in hand	559,539	(168,392)	16,174	407,321
Borrowings				
Finance lease	(47,591)	7,139	-	(40,452)
Convertible loan notes	-	(775,602)	279,586	(496,016)
Borrowings total	(47,591)	(768,463)	279,586	(536,468)
Net debt	511,948	(936,855)	295,760	(129,147)

	At 1 January 2022	*Cash flows*	*Other non-cash changes*	*At 30 June 2022*
Cash and cash equivalents	*£*	*£*	*£*	*£*
Cash at bank and in hand	*1,097,367*	*(791,423)*	*(6,032)*	*299,912*
Borrowings				
Finance lease	*(53,509)*	*4,323*	*(2,570)*	*(51,756)*
Net debt	*1,043,858*	*(787,100)*	*(8,602)*	*248,156*

Non-cash changes relate to:
Finance lease - cash flows relate to capital repayments made by the Company against the finance lease in SRJ Tech Australia Pty Ltd.

Convertible loan notes - relates to the conversion of 525,000 notes (10,500,000 shares) valued at £242,225 and an unrealised foreign exchange gain of £37,361 on revaluation of the remaining convertible loan notes at the period end.

There are no restrictions over the use of the cash and cash equivalents balances which comprises of cash at bank and in hand.

20. Post balance sheet events

Subsequent events have been evaluated up to the date that the financial statements were approved and authorised for issue by the Board of Directors. There have been no material events requiring adjustment or disclosure in these financial statements.

21. Ultimate controlling party

There is no one ultimate controlling party of the Company due to no one investor having sufficient voting rights to direct the operations of the Company.