SRJ TECHNOLOGIES GROUP PLC

ARBN 642 229 856

DIRECTORS REPORT AND UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2022

Company information

Directors	Alexander Wood Robin Pinchbeck Grant Mooney Andrew Mitchell
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	Level 4, 225 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

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Directors' Report
For the period ended 30 June 2022

The directors present their report and the interim financial statements of SRJ Technologies Group Plc (formerly SRJ Technologies Limited) (the "Company") and its subsidiaries (together the "Group") for the period ended 30 June 2022.

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 results of SRJ Tech Australia Pty Ltd are consolidated in the comparative period from the date of registration. 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:

- Purchase orders secured for execution stage of MODEC Hot Bolting campaigns.
- Execution stage of Phase 2 of Asset integrity contract in UAE with Abu Dhabi National Oil Company (ADNOC) completed.
- Phase 2 of NOWCo subsea desalination consulting project commenced further strengthening SRJ's sustainability credentials.
- Commencement of Offshore Asset Integrity roadmap for SBM Offshore.
- Saudi Basic Industries (SABIC) Pipeline Integrity Repairs completed with receipt of a letter of satisfaction/commendation from SABIC.
- Woodside Energy Group (Karratha Gas Plant) Engineering team commenced a process to permanently integrate the SRJ BoltEx® product into Woodside procedures creating significant opportunities for SRJ.
- Single source tender completed for PTTEP Malaysia, a state-owned energy company to supply SRJ BoltEx® product across its Malaysian asset fleet.
- Joint Tender with John Crane for Asset Integrity Reviews for Qatar Energy Gas Plants and Pipelines.
- EDL Energy, Australia requested assistance with Asset Integrity Support for companywide operations alongside a quotation for a BoltEx® for a bolting campaign in August.
- Termination of the proposed acquisition of STATS (UK) Limited due to underlying market conditions but are continuing to explore strategic opportunities together with STATS in the UK/Middle East/Australia.
- On-going assessment of potential acquisition opportunities in line with strategic goals .

Earnings Per Share

	Period ended 30 June 2022 £	*Period ended 30 June 2021* £
Loss for the period	**(1,878,000)**	*(1,780,299)*
Weighted average number of shares	**119,366,258**	*93,576,565*
Basic and diluted loss per share	**(0.02)**	*(0.02)*

Going Concern

The Group made a loss in the period in the amount of £1,878,000 (30 June 2021: £1,780,299) and as at 30 June 2022 had net assets of £513,228 (31 December 2021: net assets of £1,547,997). At the period end, the Group had net current liabilities of £482,272 (31 December 2021: net current assets of £487,197). 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 2022 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. The proposed capital raise to fund the potential acquisition of STATS (UK) Limited has been postponed indefinitely and management are exploring other potential strategic combinations. To ensure there are sufficient financial resources to fund the anticipated revenue growth and support the operational activities, on 29 March 2022 the Company signed an agreement to issue A$2,000,000 of convertible securities (the "securities") which accrue interest at 8% per annum payable annually in cash or shares at the discretion of the Company. The A$2,000,000 is repayable in 18 monthly instalments of A$111,111.11 payable in cash, shares or a combination of both at the Company's option. Repayment shares will be priced at 90% of the average of the five lowest daily VWAPs during the 20 trading days before the issuance of shares ("repayment price"). Conversions at the repayment price will be applied to the next scheduled repayments. The Company has the right to buy-back the outstanding face value of the securities plus accrued interest at any time with no penalty and if the buy-back is exercised the investor has the option to convert up to 1/4 of the remaining face value at the lesser of A$0.645 or the repayment price. The investor has the option to convert outstanding face value amounts into ordinary shares of the Company at a price of A$0.645 per share at any time. The facility remains undrawn at 30 June 2022 and the drawdown period has been extended to 31 March 2023.

Going Concern (continued)

During the period the Company undertook an interim capital raise and A$650,774 had been raised as at 30 June 2022. Since 1 July 2022, further share issues have raised additional cash of A$1,872,800 after fees bringing the total raised to A$2,523,574. The financial resources provided by the current fund raise together with the undrawn facilities 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 timing of cash inflows and sales levels themselves.

The volatility created by COVID-19 has affected and will undoubtedly change business practices in the industry the Group operates in, which the Group anticipates will see clients and target clients operating in different ways to the norm. The effect of lockdowns, and workforce and other labour shortages resulted in expected operating expenditure on maintenance projects in 2020 and 2021 by potential customers of the Group being delayed or cancelled. Further disruption has been caused by the Ukraine conflict in 2022 which has had a significant impact on the global Energy Markets.

The COVID-19 pandemic continues to evolve and the Group anticipates that works delayed in 2021 will begin to flow through as product sales and consulting work in 2022 and beyond. Receipt of recent purchase orders support this view. The Directors consider the Group to be well positioned to deliver solutions on these delayed scopes and campaigns in the future.

Dividends paid

There were no dividends paid in the period under review (2021 - £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
Grant Mooney
Andrew Mitchell

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 further to the events outlined below.

Since 1 July 2022, further share issues have raised additional cash of A$1,872,800 after fees bringing the total raised to A$2,523,574.

Subsequent to the period end date, discounts on fees accrued and payable totalling £97,884 were negotiated with a number of service providers due to the STATS UK Limited transaction not being completed. This is classified as a non-adjusting event.

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

Date: 21 October 2022

Statement of Directors' Responsibilities
For the period ended 30 June 2022

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 year.

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 2022, 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

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 (UK and Ireland) 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 £1,878,000 (30 June 2021: £1,780,299) and that as at 30 June 2022 the Group was in a net current liability position of £482,272. Management's evaluation of the Group's ability to continue as a going concern, the interim capital 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 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 2022, 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 (UK and Ireland) 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 Limited
Chartered Accountants
St Helier, Jersey, Channel Islands

Date: 21 October 2022

Consolidated Statement of Comprehensive Income
For the period ended 30 June 2022

	Notes	**Period ended 30 June 2022 £**	*Period ended 30 June 2021 £*	*Year ended 31 December 2021 £*
Turnover	4	**449,313**	*110,982*	*323,091*
Cost of sales		**(198,548)**	*(46,719)*	*(115,871)*
Gross profit		**250,765**	*64,263*	*207,220*
Administrative expenses	5	**(2,127,623)**	*(1,843,981)*	*(4,727,551)*
Other operating income	6	**-**	*-*	*130,062*
Operating loss		**(1,876,858)**	*(1,779,718)*	*(4,390,269)*
Interest expense		**(1,142)**	*(581)*	*(1,733)*
Loss for the financial period/year		**(1,878,000)**	*(1,780,299)*	*(4,392,002)*
Other comprehensive income that may be reclassified to profit or loss in subsequent periods (net of tax)				
Gain/(loss) on translation of foreign subsidiary		**15,818**	*(1,397)*	*6,325*
Total comprehensive loss for the period/year		**(1,862,182)**	*(1,781,696)*	*(4,385,677)*
Total comprehensive loss for the period/year attributable to:				
Ordinary equity holders of the parent		**(1,862,182)**	*(1,781,696)*	*(4,385,677)*
Earnings Per Share				
Basic and diluted loss per share for the period attributable to ordinary equity holders of the parent		**(0.02)**	*(0.02)*	*(0.04)*

There were no recognised gains and losses for the period ended 30 June 2022 or 2021 other than those included in the consolidated statement of comprehensive income.

The notes on pages 9 to 21 form part of these financial statements.

Consolidated Statement of Financial Position
As at 30 June 2022

	Notes	**30 June 2022 £**	*30 June 2021 £*	*31 December 2021 £*
Fixed assets				
Intangible assets	**10**	**820,033**	*863,145*	*832,766*
Tangible assets	**11**	**219,136**	*314,333*	*273,456*
		1,039,169	*1,177,478*	*1,106,222*
Current assets				
Inventory	**12**	**26,186**	*17,539*	*24,516*
Debtors: amounts falling due within one year	**13**	**169,345**	*191,910*	*277,405*
Cash at bank and in hand	**14**	**299,912**	*2,548,661*	*1,097,367*
		495,443	*2,758,110*	*1,399,288*
Current liabilities				
Creditors: amounts falling due within one year	**15**	**(977,715)**	*(191,964)*	*(912,091)*
Net current (liabilities)/assets		**(482,272)**	*2,566,146*	*487,197*
Non-current liabilities				
Creditors: amounts falling due after one year	**16**	**(43,669)**	*(50,057)*	*(45,422)*
Net assets		**513,228**	*3,693,567*	*1,547,997*
Capital and reserves				
Issued share capital	**17**	**22,231**	*21,639*	*21,639*
Share premium account	**17**	**13,974,414**	*13,606,004*	*13,606,004*
Share based payment reserve		**1,634,999**	*718,177*	*1,176,588*
Translation reserve		**9,530**	*(14,010)*	*(6,288)*
Retained losses		**(15,127,946)**	*(10,638,243)*	*(13,249,946)*
		513,228	*3,693,567*	*1,547,997*

The financial statements were approved and authorised for issue by the board on October 2022 and were signed on its behalf by:

Name: Alexander Wood
Director

Date: 21 October 2022

The notes on pages 9 to 21 form part of these financial statements.

Consolidated Statement of Changes in Equity
For the period ended 30 June 2022

	Issued share capital £	Share premium £	Share based payment reserve £	Translation reserve £	Retained losses £	Total equity £
At 1 January 2021	21,639	13,606,004	259,766	(12,613)	(8,857,944)	5,016,852
Total comprehensive loss for the period	-	-	-	(1,397)	(1,780,299)	(1,781,696)
Issue of share awards (note 8)	-	-	458,411	-	-	458,411
At 30 June 2021	**21,639**	**13,606,004**	**718,177**	**(14,010)**	**(10,638,243)**	**3,693,567**
Total comprehensive loss for the period	-	-	-	7,722	(2,611,703)	(2,603,981)
Issue of share awards (note 8)	-	-	458,411	-	-	458,411
At 31 December 2021	**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 8)	-	-	458,411	-	-	458,411
At 30 June 2022	**22,231**	**13,974,414**	**1,634,999**	**9,530**	**(15,127,946)**	**513,228**

The notes on pages 9 to 21 form part of these financial statements.

Statement of Cash Flows
For the period ended 30 June 2022

	Period ended 30 June 2022 £	*Period ended 30 June 2021 £*	*Year ended 31 December 2021 £*
Cash flows used in operating activities			
Loss for the financial period	**(1,878,000)**	*(1,780,299)*	*(4,392,002)*
Adjustments for:			
Amortisation of intangible assets	**54,885**	*51,052*	*104,488*
Depreciation of tangible assets	**54,320**	*22,044*	*74,125*
Interest paid	**1,142**	*581*	*1,733*
Unvested share based payments awarded	**458,411**	*458,411*	*916,822*
Unrealised loss/(gain) on foreign exchange	**21,850**	*(1,005)*	*118,224*
(Increase)/decrease in inventory	**(1,670)**	*586*	*(6,391)*
Decrease/(increase) in debtors	**108,060**	*(45,973)*	*(131,468)*
Increase in creditors	**65,624**	*143,942*	*805,825*
Net cash used in operating activities	**(1,115,378)**	*(1,150,661)*	*(2,508,644)*
Cash flows from investing activities			
Purchase of intangible fixed assets	**(42,152)**	*(16,418)*	*(39,475)*
Purchase of tangible fixed assets	**-**	*(295,535)*	*(246,384)*
Net cash used in investing activities	**(42,152)**	*(311,953)*	*(285,859)*
Cash flows from financing activities			
Issue of ordinary shares	**369,002**	-	-
Repayments towards finance lease	**(4,323)**	-	*(6,746)*
Unrealised loss on foreign exchange on finance lease liability	**2,570**	-	-
Interest paid	**(1,142)**	*(581)*	*(1,733)*
Net cash provided/(used in) from financing activities	**366,107**	*(581)*	*(8,479)*
Net decrease in cash and cash equivalents	**(791,423)**	*(1,463,195)*	*(2,802,982)*
Effect of changes in foreign exchange rate			
Effect of translating results of an overseas subsidiary	**15,818**	*(1,397)*	*6,325*
Effect of changes in foreign exchange rates on cash and cash equivalents	**(21,850)**	*1,005*	*(118,224)*
Cash and cash equivalents at beginning of period	**1,097,367**	*4,012,248*	*4,012,248*
Cash and cash equivalents at the end of period	**299,912**	*2,548,661*	*1,097,367*
Cash and cash equivalents at the end of period comprise:			
Cash at bank and in hand	**299,912**	*2,548,661*	*1,097,367*

Notes to the consolidated interim financial statements
For the period ended 30 June 2022

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.

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 2021.

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 2021.

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 £1,878,000 (30 June 2021: £1,780,299) and as at 30 June 2022 had net assets of £513,228 (31 December 2021: net assets of £1,547,997). At the period end, the Group had net current liabilities of £482,272 (31 December 2021: net current assets of £487,197). 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 2022 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. The proposed capital raise to fund the potential acquisition of STATS (UK) Limited has been postponed indefinitely and management are exploring other potential strategic combinations. To ensure there are sufficient financial resources to fund the anticipated revenue growth and support the operational activities, on 29 March 2022 the Company signed an agreement to issue A$2,000,000 of convertible securities (the “securities”) which accrue interest at 8% per annum payable annually in cash or shares at the discretion of the Company. The A$2,000,000 is repayable in 18 monthly instalments of A$111,111.11 payable in cash, shares or a combination of both at the Company's option. Repayment shares will be priced at 90% of the average of the five lowest daily VWAPs during the 20 trading days before the issuance of shares ("repayment price"). Conversions at the repayment price will be applied to the next scheduled repayments.

2. Summary of significant accounting policies (continued)

2.3 Going concern

The Company has the right to buy-back the outstanding face value of the securities plus accrued interest at any time with no penalty and if the buy-back is exercised the investor has the option to convert up to 1/4 of the remaining face value at the lesser of A$0.645 or the repayment price. The investor has the option to convert outstanding face value amounts into ordinary shares of the Company at a price of A$0.645 per share at any time. The facility remains undrawn at 30 June 2022 and the drawdown period has been extended to 31 March 2023.

During the period the Company undertook an interim capital raise and A$650,774 had been raised as at 30 June 2022. Since 1 July 2022, further share issues have raised additional cash of A$1,872,800 after fees bringing the total raised to A$2,523,574. The financial resources provided by the current fund raise together with the undrawn facilities 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 they the Company 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 themselves.

The volatility created by COVID-19 has affected and will undoubtedly change business practices in the industry the Group operates in, which the Group anticipates will see clients and target clients operating in different ways to the norm. The effect of lockdowns, and workforce and other labour shortages resulted in expected operating expenditure on maintenance projects in 2020 and 2021 by potential customers of the Group being delayed or cancelled. Further disruption has been caused by the Ukraine conflict which has had a significant impact on the global Energy Markets.

The COVID-19 pandemic continues to evolve and the Group anticipates that works delayed in 2021 will begin to flow through as product sales and consulting work in 2022 and beyond. Receipt of recent purchase orders support this view. The Directors consider the Group to be well positioned to deliver solutions on these delayed scopes and campaigns in the future.

2.4 Foreign currency

Functional and presentation currency

The Company's functional currency is Pound Sterling (£) and Pound Sterling (£) 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 the £ 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

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.

2. Summary of significant accounting policies (continued)

2.5 Revenue (continued)

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.

2.6 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 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 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Consolidated Statement of Comprehensive Income at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Consolidated Statement of Comprehensive Income in the same period as the related expenditure.

2.8 Interest income

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

2.9 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.

2.10 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.

2.11 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. Summary of significant accounting policies (continued)

2.12 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.

2.13 Impairment of assets

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.

2.14 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.

Depreciation is provided on the following basis:

Office equipment	-	20%
Computer equipment	-	33%
Plant and machinery	-	20%
Rental equipment	-	33%
Motor vehicles	-	10%

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.

2.15 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.

2.16 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)

2.17 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.

2.18 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.

2.19 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 £.

2.20 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.

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

In preparing the 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. Based on the Board's expectations, as outlined in the going concern assessment of the Group, the Directors are confident that the future expected return from sales and services for the Group is sufficient to assume there are no indicators of impairment in respect of the IP of the Group.

Useful life of intangible assets

The basis for estimate the useful life of intangible assets is disclosed in note 10.

Impact of COVID-19 on the going concern assessment of the Group

The going concern assessment of the Group by the Directors including the specific impact of COVID-19 is outlined in accounting policy 2.3.

4. Turnover

Turnover, analysed geographically between markets, was as follows:

	30 June 2022		
	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**

	30 June 2021		
	Product sales	*Services rendered*	*Total*
	£	*£*	*£*
United Kingdom	*-*	*80,261*	*80,261*
Australia	*20,093*	*10,628*	*30,721*
	20,093	*90,889*	*110,982*

5. Administrative expenses

Included with administrative expense for the period are amounts relating to the acquisition of STATS UK Limited;

	Period ended 30 June 2022	*Period ended 30 June 2021*	*Year ended 31 December 2021*
	£	*£*	*£*
Acquisition costs - STATS UK Limited	**227,400**	-	*934,043*

On 14 December 2021 it was announced that the Company had executed a share purchase agreement to acquire 100% of the issued share capital of UK based Company STATS (UK) Limited subject to customary conditions including the Company obtaining the required shareholder approvals. To fund the acquisition and additional working capital requirements the Company intended to raise A$142 million from investors.

On 4 February 2022 it was announced that the Company was voluntarily delaying the capital raise due to significant changes to the underlying market conditions in Australia and globally since the start of 2022. It was intended that the Company would recommence the capital raise once the underlying market conditions had stabilised. On 5 May 2022 it was confirmed that the acquisition of STATS would not proceed, and the Share Purchase Agreement executed on 14 December 2021 terminated.

Included within the above are costs incurred up to the date of termination of the agreement which comprise legal and professional fees in respect of the acquisition of STATS and advice in respect of capital raising. Discounts on fees totalling £97,884 were negotiated with a number of service providers after the period end due to the transaction not being completed.

6. Other operating income

	Period ended 30 June 2022	*Period ended 30 June 2021*	*Year ended 31 December 2021*
	£	*£*	*£*
R&D tax credits received	-	-	*127,489*
Loan written off	-	-	*2,573*
	-	-	*130,062*

7. Auditor remuneration

	Period ended 30 June 2022 **£**	*Period ended 30 June 2021* *£*	*Year ended 31 December 2021* *£*
Annual audit	**-**	-	*43,511*
Interim review	**13,000**	*11,000*	*11,000*
Non-audit services	**-**	-	*456,875*
	13,000	*11,000*	*511,386*

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 Limited in relation to the potential acquisition (see note 5).

8. 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 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 in 2022 based on qualifying PRs issued is analysed as follows;

	Fair value per CDI A$	**No of Performance Rights**	**Period ended 30 June 2022 £**	*Period ended 30 June 2021 £*
Directors remuneration	0.50	2,026,666	**375,538**	*375,538*
Staff remuneration	0.50	4,267,334	**67,628**	*67,628*
Consultancy fees	0.50	200,000	**15,245**	*15,245*
			458,411	*458,411*

The PRs vest on 18 September 2022 for all parties that qualify under the vesting conditions.

For the comparative interim period, the expense to the Group in relation to performance rights issued to directors has been amended to include all directors of the Company's subsidiaries. This resulted in an increase in the expense in relation to directors remuneration from A$143,062 to A$375,538 and a decrease in the expense in relation to staff remuneration from A$300,104 to A$67,628.

9. Remuneration of directors and staff

	Period ended 30 June 2022 £	Period ended 30 June 2021 £	Year ended 31 December 2021 £
Directors			
Salaries and fees	**421,621**	*318,734*	*803,133*
Share based payment awards	**375,538**	*375,538*	*751,077*
	797,159	*694,272*	*1,554,210*

	Period ended 30 June 2022 £	Period ended 30 June 2021 £	Year ended 31 December 2021 £
Employees			
Wages and salaries	**439,602**	*450,462*	*827,076*
Pension and Superannuation costs	**32,569**	*34,526*	*57,332*
Health insurance	**15,987**	*12,560*	*27,288*
Share based payment awards	**67,628**	*67,628*	*165,746*
	555,786	*565,176*	*1,077,442*

For the comparative interim period, share based payment awards for the directors have been reclassified to also include all directors of the Company's subsidiaries. There classification resulted in share based payment awards under the directors heading being increased from A$143,062 to A$375,538 and share based payment awards under the employees heading being reduced from A$300,104 to A$67,628.

The average number of employees of the Group during the period was 13 (2021: 13)

10. Intangible assets

	Patents £	Development expenditure £	Total £
Cost			
At 1 January 2021	*483,888*	*768,145*	*1,252,033*
Additions	*10,041*	*6,377*	*16,418*
At 30 June 2021	*493,929*	*774,522*	*1,268,451*
Additions	*11,563*	*11,494*	*23,057*
At 31 December 2021	**505,492**	**786,016**	**1,291,508**
Additions	**42,152**	**-**	**42,152**
At 30 June 2022	**547,644**	**786,016**	**1,333,660**
Amortisation			
At 1 January 2021	*136,694*	*217,560*	*354,254*
Charge for the period	*19,922*	*31,130*	*51,052*
At 30 June 2021	*156,616*	*248,690*	*405,306*
Charge for the period	*21,142*	*32,294*	*53,436*
At 31 December 2021	**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**
Net book value			
At 30 June 2022	**346,720**	**473,313**	**820,033**
At 30 June 2021	*337,313*	*525,832*	*863,145*
At 31 December 2021	*327,734*	*505,032*	*832,766*

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.

11. Tangible fixed assets

	Motor vehicles	Rental equipment	Seal moulds	Plant and machinery	Office equipment	Computer equipment	Total
Cost	**£**	**£**	**£**	**£**	**£**	**£**	**£**
At 1 January 2021	*-*	*-*	*2,221*	*24,860*	*11,852*	*24,014*	*62,947*
Additions	*60,355*	*231,659*	*-*	*99*	*398*	*3,024*	*295,535*
At 30 June 2021	*60,355*	*231,659*	*2,221*	*24,959*	*12,250*	*27,038*	*358,482*
Additions	-	-	-	*7,721*	-	*3,483*	*11,204*
At 31 December 2021	**60,355**	**231,659**	**2,221**	**32,680**	**12,250**	**30,521**	**369,686**
Additions	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Reclassification	**-**	**2,221**	**(2,221)**	**-**	**-**	**-**	**-**
At 30 June 2022	**60,355**	**233,880**	**-**	**32,680**	**12,250**	**30,521**	**369,686**
Depreciation							
At 1 January 2021	-	-	*162*	*3,149*	*5,565*	*13,229*	*22,105*
Charge for the period	*3,009*	*12,893*	*194*	*2,454*	*752*	*2,742*	*22,044*
At 30 June 2021	*3,009*	*12,893*	*356*	*5,603*	*6,317*	*15,971*	*44,149*
Charge for the period	*6,001*	*38,367*	*505*	*3,216*	*770*	*3,222*	*52,081*
At 31 December 2021	*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**
At 30 June 2022	**45,087**	**140,982**	**-**	**20,620**	**4,383**	**8,064**	**219,136**
At 30 June 2021	*57,346*	*218,766*	*1,865*	*19,356*	*5,933*	*11,067*	*314,333*
At 31 December 2021	*51,345*	*180,399*	*1,360*	*23,861*	*5,163*	*11,328*	*273,456*

During the period, the seal moulds were reclassified as rental equipment. Rental equipment is subject to operating lease agreements.

No indicators of impairment were noted during the period hence no impairment expense was recognised (31 December 2021: £nil).

Notes to the consolidated interim financial statements
For the period ended 30 June 2022

12. Inventory

	30 June 2022 £	*30 June 2021 £*	*31 December 2021 £*
Inventory of finished products	**26,186**	*17,539*	*24,516*

The net realisable value of inventories is considered to be in excess of cost and no impairment expense has been recognised in the period (31 December 2021: £nil).

13. Debtors

	30 June 2022 £	*30 June 2021 £*	*31 December 2021 £*
Trade debtors	**116,702**	*87,826*	*206,011*
Other debtors	**27,323**	*38,966*	*24,490*
Prepayments and accrued income	**25,320**	*65,118*	*46,904*
	169,345	*191,910*	*277,405*

14. Cash at bank and in hand

	30 June 2022 £	*30 June 2021 £*	*31 December 2021 £*
Bank and cash balances	**299,912**	*2,548,661*	*1,097,367*

15. Creditors: Amounts falling due within one year

	30 June 2022 £	*30 June 2021 £*	*31 December 2021 £*
Finance lease payable	**8,647**	*8,276*	*8,187*
VAT payable	**2,015**	*2,995*	-
Trade creditors	**702,525**	*77,194*	*112,070*
Funds held on account	**113,404**	-	-
Accruals and other payables	**151,124**	*103,499*	*791,834*
	977,715	*191,964*	*912,091*

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, £4,323 and £1,069 of capital and interest respectively was paid.

Funds held on account relate 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.

Subsequent to the period end date, discounts on fees accrued and payable totalling £97,884 were negotiated with a number of service providers due to the STATS UK Limited transaction not being completed. This is classified as a non-adjusting event.

16. Creditors: Amounts falling due after one year

	30 June 2022 £	*30 June 2021 £*	*31 December 2021 £*
Finance lease payable (see note 15)	**43,669**	*50,057*	*45,422*

17. Issued capital

	30 June 2022 £	*30 June 2021 £*	*31 December 2021 £*
Allotted, called up and fully paid			
122,269,239 shares of £0.00018181819 (31 December 2021 and 30 June 2021 - 119,015,369 Ordinary shares of £0.00018181819)	**22,231**	*21,639*	*21,639*

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 2022 and 31 December 2021	*119,015,369*	*21,639*	*13,606,004*
Shares issued to investors	*3,253,870*	*592*	*368,410*
At 30 June 2022	*122,269,239*	*22,231*	*13,974,414*

In the six month period ended 30 June 2022 an additional 3,253,870 shares were issued for total consideration of £369,002 (A$650,774). Since 1 July 2022, further share issues have raised additional cash of A$1,872,800 after fees bringing the total raised to A$2,523,574.

18. Related party transactions

Balances due to the Company	**30 June 2022 £**	*30 June 2021 £*	*31 December 2021 £*
From SRJ Limited	**6,548,246**	*6,021,822*	*6,424,479*
From SRJ Technology Limited	**2,065,749**	*1,370,133*	*1,745,133*
From SRJ Tech Australia Pty Ltd	**1,455,975**	*966,795*	*1,152,446*
From Acorn Intellectual Properties Limited	**4,472**	*2,998*	*2,998*
	10,074,442	*8,361,748*	*9,325,056*

Balances due between subsidiaries	**30 June 2022 £**	*30 June 2021 £*	*31 December 2021 £*
From SRJ Limited to SRJ Technology Limited	**8,404**	*17,001*	*5,645*
From SRJ Limited to SRJ Tech Australia Pty Ltd Limited	**(43,317)**	*5,000*	*10,000*
From SRJ Limited to Acorn Intellectual Properties Limited	**(5,505)**	*(4,725)*	*(5,225)*

SRJ Limited is a subsidiary of the Company. During the period the Company made net loans of £123,767 further to the £6,424,479 owed at 31 December 2021 (30 June 2021: £320,842) to support its ongoing operations. The loan is unsecured, interest free and repayable on demand although the Directors have no current intention of recalling the loan within the next 12 months.

SRJ Technology Limited is a subsidiary of the Company and during the period the Company made additional net loans of £320,616 further to the £1,745,133 owed at 31 December 2021 (30 June 2021: balance of £1,370,133) to support its ongoing operations. The loan is unsecured, interest free and repayable on demand although the Directors have no current intention of recalling the loan within the next 12 months.

SRJ Tech Australia Pty Ltd is a subsidiary of the Company and during the period the Company made net loans in the total of £303,529 further to the £1,152,446 owed at 31 December 2021 (30 June 2021: balance of £966,795) to support its ongoing operations. The loan is unsecured, interest free and repayable on demand although the Directors have no current intention of recalling the loan within the next 12 months.

18. Related party transactions (continued)

Acorn Intellectual Properties Limited (AIPL) is a subsidiary of the Company and during the period the Company made additional loans in the total of £1,474 further to the £2,998 owed at 31 December 2021 (30 June 2021: £2,998) to support its ongoing operations. The loan is unsecured, interest free and repayable on demand although the Directors have no current intention of recalling the loan within the next 12 months. AIPL and SRJ Limited are both subsidiaries of the Company. In the period AIPL made net loans of £280 further to the £5,225 owed at 31 December 2021 (30 June 2021: £4,725) which was in respect of license fees payable to AIPL and expenses paid on behalf of AIPL by SRJ Limited. The loan is unsecured, interest free and repayable on demand although the Directors have no current intention of recalling the loan within the next 12 months.

SRJ Limited and SRJ Technology Limited are both subsidiaries of the Company and during the period SRJ Limited received net loans of £2,759 further to the £5,645 owed at 31 December 2021 (30 June 2021: received net loans in the total of £17,001) to support SRJ Limited's ongoing operations. SRJ Technology Limited had also applied for UK Government grants in order to support the continued development of the product by the Company but during the period SRJ Technology Limited paid no grants to SRJ Limited (30 June 2021: £nil).

SRJ Limited and SRJ Tech Australia Pty Ltd are both subsidiaries of the Company and during the period SRJ Limited generated £5,000 of license fee income for the sub-license of patents licensed by SRJ Limited (31 June 2021: £5,000). SRJ Limited has been collecting invoices on behalf of the Australian entity, the amount due in respect of invoices for BoltEx® stock is £58,313 (31 December 2021: £nil). The amount is unsecured, interest free and repayable on demand although the Directors have no current intention of recalling the loan within the next 12 months.

AVI Partners Limited (AVI) is a related party by virtue of being a significant shareholder of the Company. A wholly owned subsidiary of AVI rents office space to the Company, the charge in the period was £12,000 (30 June 2021: £12,000), equivalent to £2,000 per month. AVI and SRJ are currently in negotiations regarding a new lease. There were no amounts due at 30 June 2022 (31 December 2021: £nil).

During the period key management personnel (defined as Directors and Non-Executive Directors) of the Group received total compensation of £421,621 comprised of employment and post-employment benefits (30 June 2021: £166,759) and £375,538 of share based payments (30 June 2021: £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 £51,201 (30 June 2021: £56,000)

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	201,135 Ordinary shares 380,000 Performance Rights 115,799 CDIs	0.20%	0.50%
Alexander Wood	206,250 Ordinary Shares 1,646,667 Performance Rights	0.20%	2.10%
Grant Mooney	Nil	0.00%	0.00%
Andrew Mitchell	36,000 CDIs	0.03%	0.03%

Further to the Ordinary Shares held directly by Alexander Wood there are 27,334,755 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 23.0% of the undiluted shares and 21.5% of the fully diluted shares in issue of the Group.

Notes to the consolidated interim financial statements
For the period ended 30 June 2022

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

	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

	At 1 January 2021	Cash flows	Other non-cash changes	At 30 June 2021
Cash and cash equivalents	£	£	£	£
Cash at bank and in hand	4,012,248	(1,462,190)	(1,397)	2,548,661
Borrowings				
Finance lease	-	2,069	(60,402)	(58,333)
Net debt	4,012,248	(1,460,121)	(61,799)	2,490,328

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.

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 further to the events outlined below.

Since 1 July 2022, further share issues have raised additional cash of A$1,872,800 after fees bringing the total raised to A$2,523,574.

Subsequent to the period end date, discounts on fees accrued and payable totalling £97,884 were negotiated with a number of service providers due to the STATS UK Limited transaction not being completed. This is classified as a non-adjusting event.

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.

SRJ Technologies Group plc
Le Quai House I Le Quai d'Auvergne I St Helier I Jersey I JE2 3TN

info@srj-technologies.com I +44 1534 626818
www.srj-technologies.com