ASX ANNOUNCEMENT

CODE: SRJ

28 February 2023

2022 Appendix 4E and Annual Report

The Directors of SRJ Technologies Group Plc (ASX:SRJ) (SRJ or the Company) are pleased to provide the Appendix 4E and the financial statements for the year ended 31 December 2022.

Results Announcement

Revenue for the year of £932k (A$1.7m) was below management expectations despite a significant improvement on the prior year (2021: £323k (A$591k).

Whilst the results were below management's original expectations, the purchase orders secured for FY22 resulting from repeat business with clients including ADNOC, SBM Offshore and MODEC, provide firm evidence that the Company is delivering on its strategy.

During the year considerable management resource was expended on the ultimately unsuccessful attempt to acquire STATS and the consequent eventual re-listing on the ASX in December 2022. This did crowd out high-level business development. Since the failure of the acquisition, SRJ's primary focus has returned to driving revenue, though the Company remains open to considering acquisition opportunities that enhance the Company's value-proposition.

The Company signed a convertible loan facility for A$3.5m on 15 February 2023 which will be drawn down in stages subject to various approvals. This will allow the Company to access additional funds to support revenue growth opportunities.

A summary of key milestones achieved during 2022, include the following:

- Abu Dhabi National Oil Company (ADNOC) - Completion of Asset integrity contract in UAE with ADNOC
- Saudi Basic Industries Corporation (SABIC) - Completion of the first ever online Oxygen leak sealing project in Saudi Arabia for facilities in Jubail Industrial City. This resulted in a Certificate of Appreciation being issued by SABIC 'in recognition for the dedication, excellent performance and support during the design, fabrication and installation of the solution to arrest oxygen leaks in the Royal Commission Corridor area.'
- Major FPSO Operator- Multiple consulting work scopes completed in respect of Offshore Asset Integrity in addition to multiple Hot Bolting campaigns in West Africa using SRJ's proprietary flange integrity equipment - BoltEx® flange clamps with client expected to purchase the equipment following the leasing period.
- Woodside Energy Group - (Karratha Gas Plant) engineering team has now permanently integrated the SRJ BoltEx® product into Woodside procedures and BoltEx has been successfully used for flange integrity management with further ongoing requests for rental and outright purchases.
- EDL Energy, Australia - Completed detailed Asset Integrity procedure incorporating SRJ BoltEx® into ongoing campaigns, including successfully completing the first major scope.
- MODEC - Completed Hot Bolting campaigns for two FPSOs previously announced in 2021.
- NOWCo - Phase 2 of subsea desalination consulting project commenced further strengthening SRJ's sustainability credentials.

Head Office
Ph: +44 (0) 1534 626 818
Le Quai House, Le Quai D'Auvergne,
St Helier, Jersey JE2 3TN

Australia
Ph: +61 8 9482 0500
Level 4, 225 St Georges Tce, Perth
Western Australia 6000

UK
Ph: +44 (0) 2382 549 818
U2, Waterside House, Port Hamble
Satchell Lane, Hamble, Southampton SO31

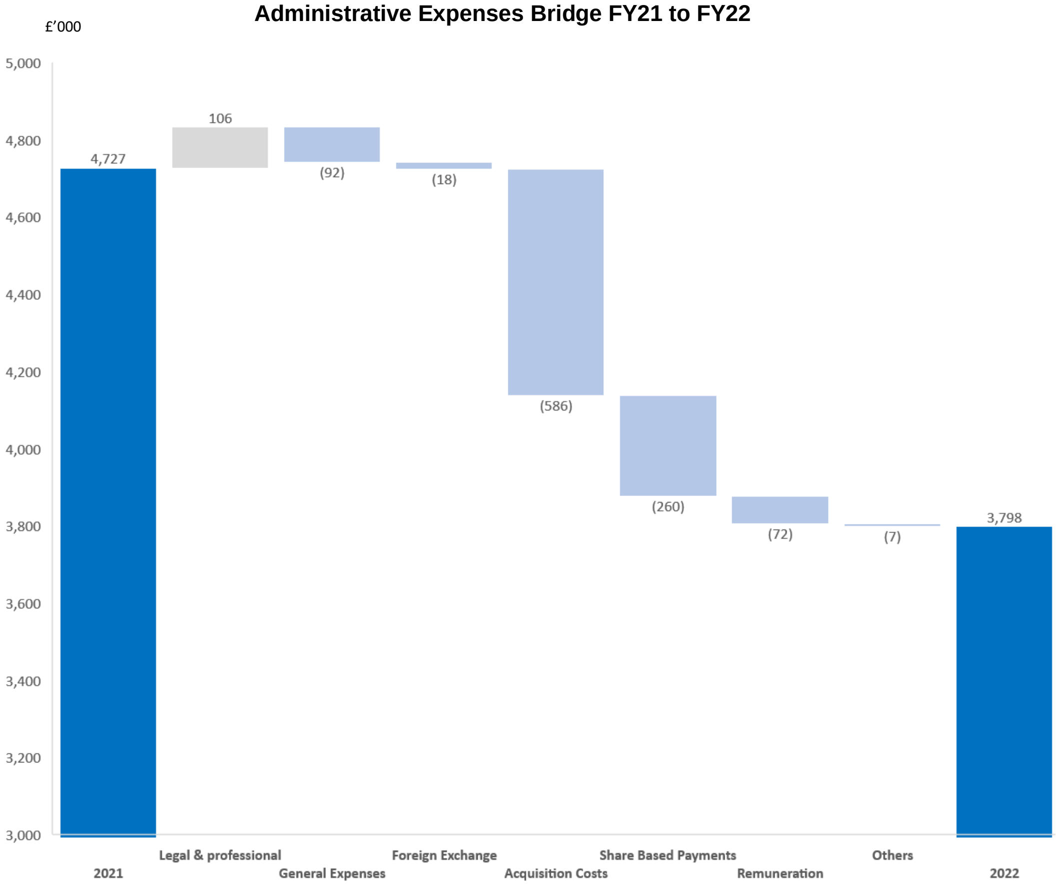
ARBN: 642 229 856 - a limited liability company incorporated in Jersey

Cash and cash equivalents on the Balance Sheet totalled £560k at year end, representing a decrease in cash of £537k (51%) from the previous year.

Administrative expenses decreased from £4,727k in 2021 to £3,798k in 2022. Detailed below is an Administrative Expenses Bridge that explains the fluctuation in expenses between 2021 and 2022. The Acquisition costs relate to due diligence and initial capital raise costs surrounding the potential acquisition of STATS (UK) Limited that spanned 2021 and 2022. The Share based Payments decrease relates to a 9-month charge in 2022 versus a full years P&L non-cash charge in 2021, for employee performance rights issued as part of the IPO in September 2020. The cost of such performance rights is spread over the period from grant to vesting date. Whilst the Remuneration decrease reflects a more significant apportionment to cost of sales for 2022 relative to the prior year.

Deducting the IPO share based payment expense in relation to the IPO (that has now been fully charged) and the acquisition costs incurred for the STATS transaction would see administrative expenses reduced from £3,798k to £2,788k. These items, now fully charged as an expense and hence non-recurring going forward, would result in a reduction of the Operating loss by £1,010k.

Administrative Expenses Bridge FY21 to FY22



Additional information supporting the Appendix 4E disclosure can be found in the Annual Report which contains the 31 December 2022 Financial Statements and accompanying notes.

This report is based on the consolidated financial statements prepared under UK GAAP for the year ended 31 December 2022 which are in the process of being audited by Grant Thornton.

Appendix 4E Preliminary Final Report

CODE: SRJ

Current period	1 January 2022 - 31 December 2022
Prior period	1 January 2021 - 31 December 2021

Results for announcement to the market

Key Information (GBP)	**Year ended 31 Dec 2022**	Year ended 31 Dec 2021	Change %
Revenue from ordinary activities	**932,206**	323,091	188%
Net operating loss	**3,222,590**	4,390,269	(27%)
Loss after income tax and interest	**3,225,330**	4,392,002	(27%)
Loss attributable to ordinary equity shareholders	**3,212,630**	4,385,677	(27%)

Other disclosure requirements

Dividends

As the Company continues to progress its strategy, it will continue to invest operating cashflows into strategic growth, and the Board has elected not to declare a dividend in relation to the 2022 financial year (31 December 2021: £Nil). It is the intention of the Board to profitably grow and expand the business, and to ensure shareholders benefit from that growth and expansion through capital growth in valuation of Company share price, and availability of returns for distribution. To this end, the Board will continue to update shareholders on its strategic progress.

Net tangible assets (GBP)	**Year ended 31 Dec 2022**	Year ended 31 Dec 2021	Change %
Net tangible assets per ordinary share	**0.01**	0.01	-

– END –

Investor Inquiries
Jane Morgan
Investor and Media Relations
jm@janemorganmanagement.com.au

This announcement has been authorised for release by the Board.

ABOUT SRJ TECHNOLOGIES

SRJ Technologies provides specialised engineering services and containment management solutions, elevating customer's integrity management performance.

We see real value in offering a wider range of asset integrity consulting services helping our customers to better understand the operational risks and where best to focus resource to minimise these risks.

SRJ's range of industry accredited products are designed to maintain and assure the integrity of pressure containment systems and therefore play an important role in the overall integrity of operating facilities.

Using pre-qualified service providers and manufacturers local to customer, SRJ is geolocation-flexible and able to deliver a range of high quality, agile and cost-conscious solutions globally.

SRJ Technologies Group Plc

Directors' Report and Unaudited Consolidated Financial Statements

For the year ended 31 December 2022

Company information

Directors	Alexander Wood	
	Robin Pinchbeck	
	Roger Smith	(appointed 15 January 2023)
	Grant Mooney	(resigned 14 January 2023)
	Andrew Mitchell	(resigned 29 December 2022)
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	

SRJ Technologies Group Plc

Contents page

Consolidated Statement of Comprehensive Income
For the Year Ended 31 December 2022

	Notes	**Year ended 31 December 2022 £**	*Year ended 31 December 2021 £*
Turnover	**4**	**932,206**	*323,091*
Cost of sales		**(391,470)**	*(115,871)*
Gross profit		**540,736**	*207,220*
Administrative expenses		**(3,798,423)**	*(4,727,551)*
Other operating income	**5**	**35,097**	*130,062*
Operating loss		**(3,222,590)**	*(4,390,269)*
Interest payable		**(2,740)**	*(1,733)*
Loss for the financial year		**(3,225,330)**	*(4,392,002)*
Other comprehensive income:			
Gain on translation of foreign subsidiary		**12,700**	*6,325*
Total comprehensive loss for the year		**(3,212,630)**	*(4,385,677)*
Total comprehensive loss for the year attributable to:			
Ordinary equity holders of the parent		**(3,212,630)**	*(4,385,677)*
Earnings Per Share Basic and diluted loss per share for the year attributable to ordinary equity holders of the parent		**(0.03)**	*(0.04)*

There were no recognised gains and losses for the year ended 31 December 2022 or 2021 other than those included in the consolidated statement of comprehensive income.

The notes on pages 5 to 18 form part of these financial statements.

Consolidated Statement of Financial Position
As at 31 December 2022

	Notes	31 December 2022 £	*31 December 2021 £*
Fixed assets			
Intangible assets	**9**	**762,853**	*832,766*
Tangible assets	**10**	**161,108**	*273,456*
		923,961	*1,106,222*
Current assets			
Inventory	**11**	**25,980**	*24,516*
Debtors: amounts falling due within one year	**12**	**366,610**	*277,405*
Cash at bank and in hand	**13**	**559,539**	*1,097,367*
		952,129	*1,399,288*
Current liabilities			
Creditors: amounts falling due within one year	**14**	**(810,349)**	*(912,091)*
Loans payable	**15**	**(421,350)**	-
		(1,231,699)	*(912,091)*
Net current (liabilities)/assets		**(279,570)**	*487,197*
Non-current liabilities			
Creditors: amounts falling due after one year	**16**	**(39,013)**	*(45,422)*
Net assets		**605,378**	*1,547,997*
Capital and reserves			
Issued share capital	**17**	**24,197**	*21,639*
Share premium account	**17**	**15,216,406**	*13,606,004*
Share based payment reserve	**7**	**1,833,639**	*1,176,588*
Translation reserve		**6,412**	*(6,288)*
Retained earnings		**(16,475,276)**	*(13,249,946)*
		605,378	*1,547,997*

The notes on pages 5 to 18 form part of these financial statements.

Consolidated Statement of Changes in Equity
For the year ended 31 December 2022

	Called up share capital £	Share premium £	Share based payment reserve £	Translation reserve £	Retained earnings £	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 year	-	-	-	*6,325*	*(4,392,002)*	*(4,385,677)*
Issue of share awards (note 7)	-	-	*916,822*	-	-	*916,822*
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 year	**-**	**-**	**-**	**12,700**	**(3,225,330)**	**(3,212,630)**
CDIs issued during the year (note 17)	*2,558*	*1,610,402*	-			*1,612,960*
Issue of share awards (note 7)	**-**	**-**	*657,051*	**-**	**-**	*657,051*
At 31 December 2022	**24,197**	**15,216,406**	**1,833,639**	**6,412**	**(16,475,276)**	**605,378**

The notes on pages 5 to 18 form part of these financial statements.

SRJ Technologies Group Plc

Consolidated Statement of Cash Flows
For the year ended 31 December 2022

	Notes	Year ended 31 December 2022 £	*Year ended 31 December 2021 £*
Cash flows used in operating activities			
Loss for the financial year		**(3,225,330)**	*(4,392,002)*
Adjustments for:			
Amortisation of intangible assets		**109,537**	*104,488*
Depreciation of tangible assets		**108,392**	*74,125*
Interest paid		**2,740**	*1,733*
Unvested share based payments awarded		**657,052**	*916,822*
Unrealised loss on foreign exchange		**12,002**	*118,224*
Increase in inventory		**(1,464)**	*(6,391)*
Increase in debtors		**(89,205)**	*(131,468)*
Increase in creditors		**(102,133)**	*805,825*
Net cash used in operating activities		**(2,528,409)**	*(2,508,644)*
Cash flows from investing activities			
Purchase of intangible fixed assets		**(39,624)**	*(39,475)*
Purchase of tangible fixed assets		**-**	*(246,384)*
Adjustment re GST refund	**10**	**3,956**	-
Net cash used in investing activities		**(35,668)**	*(285,859)*
Cash flows from financing activities			
Issue of ordinary shares/CDIs		**1,612,960**	**-**
Repayments towards finance lease		**(6,019)**	*(6,746)*
Interest paid		**(2,740)**	*(1,733)*
Directors' loans		**421,350**	-
Drawdown of convertible loan notes		**666,185**	-
Repayment of convertible loan notes		**(666,185)**	-
Net cash provided/(used in) from financing activities		**2,025,551**	*(8,479)*
Net decrease in cash and cash equivalents		**(538,526)**	*(2,802,982)*
Effect of changes in foreign exchange rate			
Effect of translating results of an overseas subsidiary		**12,700**	*6,325*
Effect of changes in foreign exchange rates on cash and cash equivalents		**(12,002)**	*(118,224)*
		698	*(111,899)*
Cash and cash equivalents at beginning of year		**1,097,367**	*4,012,248*
Cash and cash equivalents at the end of year		**559,539**	*1,097,367*
Cash and cash equivalents at the end of year comprise:			
Cash at bank and in hand		**559,539**	*1,097,367*

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 102 the Financial Reporting Standard in the UK and Republic of Ireland (FRS 102) and the Companies (Jersey) Law 1991.

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).

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 polices 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 year 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 year in the amount of £3,225,330 (31 December 2021: £4,392,002) and as at 31 December 2022 was in a net asset position of £605,378 (31 December 2021: £1,547,997).

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").

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, A$862,500 Convertible Notes for A$750,000 will be drawn down immediately with the remaining 747,500 Convertible Notes for a total of A$650,000 subject to shareholder approval and available to be drawn down until 31 March 2023.

2. Summary of significant accounting policies (continued)

2.3 Going concern (continued)

A second 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 shareholder approval. (Tranche 2). SRJ can draw down a minimum of A$500,000. The Tranche 1 and Tranche 2 Notes will be 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 will issue 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 will be issued to Mercer at the same time as the Tranche 1 Convertible Notes.

The financial resources provided by the convertible loan facility 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 In the event of the entity being unable to raise / obtain shareholder approval or otherwise raise capital, there exists a material uncertainty as to the Group's ability to continue as a going concern.

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 the £ are translated into £ upon consolidation. The functional currencies of entities within the Group have remained unchanged during the reporting year.

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 year. 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 year 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, including 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

Turnover - continued:

During the year the Group began receiving revenue from operating leases in relation to rental equipment. The revenue is accounted for on a straight line basis over the term of the lease. The risks and rewards incidental to ownership remain 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 cyclicality of operations.

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

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 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. Summary of significant accounting policies (continued)

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.

2.12 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 line basis

The depreciation method for the motor vehicle was changed from a straight line basis to a reducing balance method during the year, an adjustment was accounted for within the Tangible Fixed Asset's note.

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.

At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2. Summary of significant accounting policies (continued)

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.

2.16 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 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

The proceeds received on issue of the Group's convertible debt are allocated into their liability and equity components and presented separately in the Consolidated Statement of Financial Position.

The amount initially attributed to the debt component equals the discounted cash flows using a market rate of interest that would be payable on a similar debt instrument that did not include an option to convert.

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 debt and equity elements are 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.

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 impairement the Directors considered both external and internal factors dictated by FRS 102 alongside other considerations as to the current position of the Company including a value in use calculation. The value in use calculation applied a present value factor based on the highest percentage of the energy sector average of 7-12% and applied them to internal management growth targets. It was concluded that there were no indicators of impairement.

Useful life of intangible assets

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

Contingent liabilities

The Group was subject to a threatened patent infringement case by Irgens Engineering AS relating to the “BoltEx” product that SRJ was planning to market in the United Kingdom versus an alternative device marketed by Hydratight. Hydratight purports to be the exclusive licensee of the Irgens patent, and so the allegation of patent infringement came from Hydratight, via Irgens Engineering AS. Counsel for the Group applied for revocation of the patent held by Irgens Engineering AS on the grounds of invalidity for want of novelty and/or inventive step as well as for insufficiency. A hearing was held in relation to this on 18 December 2021 and the Group was not subject to any liability. The infringement case is no longer applicable and there are no further contingent liabilities for 2022.

4. Turnover

Turnover, analysed geographically between markets, was as follows:

	31 December 2022			
	Product sales £	**Rental income £**	**Services rendered £**	**Total £**
Jersey	**606,398**	**-**	**47,666**	**654,064**
United Kingdom	**39,130**	**-**	**150,158**	**189,288**
Australia	**11,563**	**68,716**	**8,576**	**88,854**
	657,091	**68,716**	**206,400**	**932,206**

	31 December 2021		
	Product sales £	*Services rendered £*	*Total £*
Jersey	*84,615*	*-*	*84,615*
United Kingdom	*-*	*166,267*	*166,267*
Australia	*69,478*	*2,731*	*72,209*
	154,093	*168,998*	*323,091*

5. Other operating income

	Year ended 31 December 2022 £	*Year ended 31 December 2021 £*
R&D tax credits received	35,097	127,489
Loan written off	-	2,572
	35,097	*130,061*

6. Auditor remuneration

	Year ended 31 December 2022 £	*Year ended 31 December 2021 £*
Annual audit	**40,550**	*43,511*
Interim review	**19,570**	*11,000*
Non-audit services	**11,982**	*456,875*
	72,102	*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 acquisation.

7. 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	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 which represents the price at listing of the CDI's on the same date. 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**	**Year ended 31 December 2022 £**	**Year ended 31 December 2021 £**
Directors remuneration	0.50	5,320,001	**538,268**	*751,077*
Staff remuneration	0.50	973,999	**96,933**	*135,256*
Consultancy fees	0.50	200,000	**21,851**	*30,490*
			657,052	*916,823*

The vested shares have not yet been issued as at 31 December 2022. Alexander Wood and Stefan McGreevy hold options to acquire the Performance Rights and as yet have not exercised such options which will lapse unless not exercised by 18 September 2023.

7. Share based payments - continued

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.

These Directors will instead receive 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).

8. Remuneration of key management personnel and employees

	Year ended 31 December 2022 £	*Year ended 31 December 2021 £*
Directors		
Salaries, fees and superannuation	**844,926**	*803,133*
Share based payment awards	**538,268**	*751,077*
	1,383,194	*1,554,210*

	Year ended 31 December 2022 £	*Year ended 31 December 2021 £*
Employees and consultants		
Wages and salaries	**662,515**	*827,076*
Pension and Superannuation costs	**69,175**	*57,332*
Health insurance	**28,569**	*27,288*
Share based payment awards	**118,784**	*165,746*
	879,043	*1,077,442*

Directors and employee costs have been reallocated for the prior year in line with the key management personnel disclosure in the remuneration report.

The average number of directors and employees of the Group during the year was 17 (2021: 17)

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 2022, wages and salaries of £147,839 (2021: £47,100) was charged to cost of sales.

Included in wages and salaries above is an aggregate estimated charge of £80,000 in relation to research and development.

9. Intangible fixed assets

	Patents £	Development expenditure £	Total £
Cost			
At 1 January 2022	**505,492**	**786,016**	**1,291,508**
Additions	**39,624**	**-**	**39,624**
At 31 December 2022	**545,116**	**786,016**	**1,331,132**
Amortisation			
At 1 January 2022	**177,758**	**280,984**	**458,742**
Charge for the year	**46,089**	**63,448**	**109,537**
At 31 December 2022	**223,847**	**344,432**	**568,279**
Net book value			
At 31 December 2022	**321,269**	**441,584**	**762,853**
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.

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 indictation 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 including a value in use calculation. The value in use calculation applied a present value factor based on the highest percentage of the energy sector average of 7-12% and applied them to internal management growth targets. It was concluded that there was no indication of impairment.

10. 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**
Additions	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Reclassification	**-**	**2,221**	**(2,221)**	**-**	**-**	**-**	**-**
Adjustment	**(3,956)**	**-**	**-**	**-**	**-**	**-**	**(3,956)**
At 31 December 2022	**56,399**	**233,880**	**-**	**32,680**	**12,250**	**30,521**	**365,730**
Depreciation							
At 1 January 2022	**9,010**	**51,260**	**861**	**8,819**	**7,087**	**19,193**	**96,230**
Charge for the year	**12,121**	**81,179**	**-**	**6,522**	**1,564**	**6,360**	**107,745**
Reclassification	**-**	**861**	**(861)**	**-**	**-**	**-**	**-**
Under provision in prior year	**647**	**-**	**-**	**-**	**-**	**-**	**647**
At 31 December 2022	**21,778**	**133,300**	**-**	**15,341**	**8,651**	**25,553**	**204,622**
At 31 December 2022	**34,621**	**100,580**	**-**	**17,339**	**3,599**	**4,968**	**161,108**
At 31 December 2021	*51,345*	*180,399*	*1,360*	*23,861*	*5,163*	*11,328*	*273,456*

During the year, the seal moulds were reclassified as rental equipment. Rental equipment is subject to rental agreements. These assets relate to the holding of BoltEx hot bolting clamps that are held for either rental or for sale.

The vehicle cost was reduced in the year 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 year hence no impairment expense was recognised (31 December 2021: £nil).

11. Inventory

	31 December 2022 £	31 December 2021 £
Inventory of finished products	**25,980**	*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 year (31 December 2021: £nil).

12. Debtors

	31 December 2022 £	31 December 2021 £
Trade debtors	**202,774**	*206,011*
Other debtors	**39,071**	*24,490*
Prepayments and accrued income	**91,015**	*46,904*
Called up share capital not paid	**33,750**	-
	366,610	*277,405*

13. Cash at bank and in hand

	31 December 2022 £	31 December 2021 £
Bank and cash balances	**559,539**	*1,097,367*

14. Creditors: Amounts falling due within one year

	31 December 2022 £	31 December 2021 £
Finance lease payable	**8,578**	*8,187*
Trade creditors	**608,743**	*112,070*
Accruals and other payables	**193,028**	*791,834*
	810,349	*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 year, £3,647 and £2,169 of capital and interest respectively was paid.

15. Loans payable

	31 December 2022 £	31 December 2021 £
Directors' loans	**421,350**	-

Two directors agreed to provide an unsecured, interest free bridging facility of £421k in total, on arm's length terms with no fees whilst the new convertible loan facility was being agreed. This was subsequently repaid on 11 January 2023.

16. Creditors: Amounts falling due after one year

	31 December 2022 £	31 December 2021 £
Finance lease payable	**39,013**	*45,422*

17. Convertible debt

The Company signed a convertible loan note instrument with Raleigh Atlantic Limited on 29 March 2022 that was subsequently amended on 21 November 2022.

The term is for a period of 18 months for a face value of A$2,000,000. Interest accrues at 8% per annum on the face value and is paid annually in either cash or shares at the discretion of the Company. The original agreement included a break fee of A$100,000 should the facility not be drawn down in its entirety within 3 months.

On 7 September 2022 the Company agreed to settle the break fee in equity in lieu of a cash payment at the current raise price at the time of A$0.20 equating to 500,000 shares. In addition to the 500,000 shares (A$100,000) the Company offered an additional 166,667 Options (1:3 Options per share). The Company also requested an extension of the convertible security agreement for an additional 6 months.

Raleigh Atlantic Limited had the option to convert any outstanding face value amounts into ordinary shares at a price per share of A$0.645 being 50% premium to the last closing price of A$0.43 (the "Conversion Price").

On 23 November 2022 the Company drew down £279,185 and on 19 December 2022 drew down a further £387,000. Both amounts were repaid in full on 22 December 2022 without being subject to interest due to the short period of the draw down however a transaction fee was charged, payable in CDI's, to the value of £20,000.

On issuing convertible debt, the Company allocates the proceeds between a liability component and an equity component in accordance with FRS 102. Other than the break and transaction fee which were expensed, the equity and lability components of the convertible debt were identified and considered to be immaterial. The facility was cancelled post year end.

18. Issued capital

	31 December 2022 £	*31 December 2021 £*
Allotted, called up and fully paid		
133,082,177 (2021 - 119,015,369) Ordinary shares of £0.00018181819 (2021 - £0.00018181819 each)	**24,197**	*21,639*

Movements in share capital during the year are reconciled as below;

	31 December 2022		
	Shares in issue	*Share capital £*	*Share premium £*
Allotted, called up and fully paid (i)			
Brought forward	**119,015,369**	**21,639**	**13,606,004**
Issued to investors (ii)	**14,066,808**	**2,558**	**1,610,402**
At 31 December 2022	**133,082,177**	**24,197**	**15,216,406**

(i) Included in the above is £33,750 ($60,000) of unpaid share premium issued.
(ii) Included in the above is £117,873 ($210,176) of fees settled in CDI's totalling 1,050,880.

	31 December 2021		
	Shares in issue	*Share capital £*	*Share premium £*
Allotted, called up and fully paid			
At 1 January and 31 December 2021	*119,015,369*	*21,639*	*13,606,004*

During the year an additional 14,066,808 shares were issued for total consideration of £1,612,960 (A$2,849,538).

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.

19. Related party transactions

	31 December 2022 £	*31 December 2021 £*
Balances due to the Company		
From SRJ Limited	**6,747,561**	*6,424,479*
From SRJ Technology Limited	**2,409,750**	*1,745,133*
From SRJ Tech Australia Pty Ltd	**1,329,574**	*1,152,446*
From Acorn Intellectual Properties Limited	**4,472**	*2,998*
	10,491,357	*9,325,056*
Balances due between subsidiaries		
Due to SRJ Limited by SRJ Technology Limited	**6,500**	*5,645*
Due from SRJ Limited to SRJ Tech Australia Pty Ltd	**38,317**	*(10,000)*
Due from SRJ Limited to Acorn Intellectual Properties Limited	**4,798**	*5,225*

SRJ Limited is a subsidiary of the Company. During the year the Company made net loans of £323,082 (31 December 2021: £723,499) 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 year the Company made additional net loans of £664,617 (31 December 2021: balance of £797,300) 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 year the Company made net loans in the total of £177,128 (31 December 2021: balance of £646,498) 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.

Acorn Intellectual Properties Limited (AIPL) is a subsidiary of the Company and during the year the Company made a loan of £1,474 (31 December 2021: £2,748) 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 and during the year a net intercompany balance of £4,798 (2021: £5,225) was recognised 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 year SRJ Limited made net loans in the total of £855 (31 December 2021: £5,645) to support SRJ Limited's ongoing operations. An element of the net loans paid was £10,000 due in licensing fees from SRJ Technology Limited in respect of the sub-lease of patents licensed by SRJ Limited from AIPL.

SRJ Limited and SRJ Tech Australia Pty Ltd are both subsidiaries of the Company made net loans in the total of £48,317 (31 December 2021: £10,000) to support SRJ Limited's ongoing operations of that SRJ Limited generated £20,000 (31 December 2021: £10,000) of license fee income for the sub-license of patents licensed by SRJ Limited. 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 having a common shareholder with a significant shareholding in the Company. A wholly owned subsidiary of AVI leases office space to the Company, the charge in the year was £24,000 (31 December 2021: £24,000), equivalent to £2,000 per month.

During the year key management personnel (defined as Directors and Non-Executive Directors) of the Group received total compensation of £844,926 (31 December 2021: £803,133) of employment and post-employment benefits and £nil awards of share based payments (31 December 2021: £778,054 of employment and post-employment benefits and £nil awards of share based payments). See page 7 for further analysis of directors' remuneration.

The Company has a Strategic Management Services consultancy agreement with Devi5e Pty, a Company owned by David Milner.

19. Related party transactions (continued)

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

Director	Securities
Robin Pinchbeck	316,934 Ordinary shares
	226,250 NED rights
Alexander Wood	206,250 Ordinary shares
	1,646,667 Performance Rights
Grant Mooney	106,237 NED rights
Andrew Mitchell	36,000 CDIs
	106,237 NED rights
Roger Smith	440,000 Ordinary shares

Further to the Ordinary Shares held directly by Alexander Wood there are 27,334,755 Ordinary Shares and CDIs held by AVI Partners Limited (20.54% of issued shares), a company in which Alexander Wood holds 19.0% of the issued shares.

20. 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.

On 11 June 2021 SRJ Technology Limited signed a Heads of Terms for a new lease with Marina Developments Limited. The terms are a rental of £15,500 per annum until 6 January 2025.

SRJ Tech Australia Pty Ltd rents offices for A$3,849 per month without a formal lease.

21. Analysis of changes in net debt

	At 1 January 2022	Cash flows	Other non-cash changes	At 31 December 2022
Cash and cash equivalents	**£**	**£**	**£**	**£**
Cash at bank and in hand	**1,097,367**	**(550,528)**	**12,700**	**559,539**
Borrowings				
Finance lease	**(53,609)**	**6,018**	**-**	**(47,591)**
Net debt	**1,043,758**	**(544,510)**	**12,700**	**511,948**

Non-cash changes relate to:
Finance lease - during the year SRJ Tech Australia Pty Ltd acquired a motor vehicle on a finance lease. Cash flows relate to capital repayments made by the Company against the finance lease.

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

22. 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:

- Convertible loan facility for a total of A$3,500,000 signed on 15 February 2023.

23. Ultimate controlling party

In the opinion of the Directors 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.