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Annual Report &
Audited Financial Statements

SRJ Technologies Group Plc

ARBN 642 229 856

31 December 2024



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SRJ Technologies Group Plc

Chair statement

Dear Shareholder,

It is my privilege to present the 2024 Annual Report for SRJ Technologies Group plc (SRJ or the Company). This year has been one of reflection and recalibration as we continued to execute our strategic vision amidst challenging market conditions.

2024 saw SRJ make significant strides in expanding our service offerings and strengthening our foundation for future growth. The integration of Air Control Entech (ACE) has enhanced our capabilities in remote inspection services, leveraging advanced drone, ROV, and crawler technologies. This acquisition underscores our commitment to innovation and delivering cutting-edge solutions in the mechanical asset integrity and management sectors.

Whilst we did not meet our ambitious revenue targets for 2024, this shortfall highlights the importance of sharpening our execution and addressing inefficiencies. Challenges in both SRJ's core operations and the integration of ACE have emphasised areas where improvements can drive better performance.

To address these, we have undertaken a comprehensive review of our operations and developed a targeted action plan for 2025, which includes:

- Strengthening our sales and marketing efforts to accelerate client acquisition.
- Enhancing operational efficiency through improved resource allocation and streamlined processes.
- Leveraging our expanded service offerings to deepen client relationships and secure long-term contracts.
- Increasing investments in innovation to bring differentiated, data-driven solutions to market faster.

We are confident that these measures will position SRJ and ACE for a return to growth and improved financial performance in the coming year.

In line with our commitment to strengthening leadership and driving future growth, we are pleased to announce the appointment of Kurt Reeves as Chief Executive Officer and Executive Director, effective 15 May 2025. Kurt brings over 22 years of leadership experience in the energy and asset integrity sectors, with a proven track record of strategic growth and operational excellence. His extensive industry relationships and strong presence in the Middle East will be instrumental as SRJ continues to expand internationally and deliver on its long-term strategy.

2025 will be a year of focused execution as we prioritise operational excellence and expand into high-growth markets such as Southeast Asia and the Middle East. Our roadmap includes the launch of AI-powered tools, new offerings in asset integrity engineering, and further investments in our talented team and technologies.

Our employees remain the cornerstone of our success, and I am deeply grateful for their hard work and commitment throughout this year of transition. On behalf of the Board, I extend my sincere thanks to them and to our shareholders for their continued support and patience as we position SRJ for a stronger future.

We are confident that the steps we are taking will enable SRJ to deliver long-term value to all stakeholders and reinforce our position as a global leader in asset integrity and emissions monitoring.

Yours sincerely,



George Gourlay, Chair
SRJ Technologies Group Plc

SRJ Technologies Group Plc

Company Information

For the year ended 31 December 2024

Directors	George Gourlay	(appointed 6 November 2024)
	Alexander Wood	
	Robin Pinchbeck	(resigned 5 November 2024)
	Roger Smith	
	Stefan McGreevy	(appointed 21 August 2024)
	Giles Bourne	(appointed 21 August 2024)
Company Secretary	Benjamin Donovan	
Registered Number	115590	
Registered Office <i>Jersey</i>	Le Quai House Le Quai d'Auvergne St Helier Jersey, JE2 3TN Telephone: +(44) 01534 626818	
<i>Australia</i>	c/- Argus Corporate Partners Pty Ltd Level 4, 225 St Georges Terrace Perth WA 6000 Telephone: +(61) 401 248 048	
Independent Auditor	Grant Thornton Kensington Chambers 46/50 Kensington Place St Helier Jersey JE1 1ET	
Accountants	Moore Stephens Accounting & Taxation Services (Jersey) Limited (formerly Bracken Rothwell Limited) 1 Waverley Place Union Street St Helier Jersey, JE4 8SG	
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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SRJ Technologies Group Plc

Directors' Report

For the year ended 31 December 2024

The directors present their report and the financial statements of SRJ Technologies Group Plc (the "Company") and its subsidiaries (together the "Group") for the year ended 31 December 2024.

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 Limited incorporated in Australia which are all 100% owned by the Company and deliver a range of asset integrity products, consulting services and solutions to the energy and maritime industries. Asset Integrity involves the provision of solutions involving inspection, maintenance and testing to avoid asset failures. The 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. The Asset Integrity Management consulting services help asset owners to develop and implement an effective asset integrity strategy. During the year the Company acquired 100% of the share capital of Air Control Entech Limited ("ACE"), incorporated in the United Kingdom. ACE provides remote inspection services utilising advanced robotics and custom Unmanned Aerial Vehicle (UAV) technologies. By providing advanced robotic and UAV systems, ACE is revolutionising asset inspection in terms of minimising human risk (by removing exposure to high-risk environments) and providing accurate and repeatable inspection data thereby delivering asset integrity assurance and management to the Energy and Marine industries. The Company also owns 100% of the issued share capital of Acorn Intellectual Properties Limited, a Company also incorporated in Jersey, Channel Islands which has the primary activity of holding intellectual property.

Review of Operations and Financial Position

Review of Activities

A summary of key milestones achieved during 2024, include the following:

- Secured an additional follow-on order with EFTECH International SDN BHD ("EFTECH") for SRJ BoltEx® in Malaysia with a value of A\$249k (US\$163.5k) for further asset integrity product solutions following EFTECH's successful implementation of SRJ products to its clients.
- Secured significant follow-on purchase order with EFTECH for SRJ products and services for operators across Malaysia. The replenishment order was valued at A\$1.3m (USD\$830k) for further asset integrity product solutions of which 90% was delivered in 2024.
- Purchase order secured from Single Buoy Moorings Inc to provide a range of consulting services to support the set-up, implementation and delivery of the asset integrity system for their fleet of operational FPSOs (A\$410k (GBP£211k)) of which approximately 50% was delivered in 2024.
- Acquisition of ACE in August 2024 provided the Group with remote inspection services utilising advanced robotics and custom UAV technologies.
- Following the acquisition of ACE, they announced the latest advancements in emissions monitoring technology, leveraging cutting-edge drone capabilities to meet the rigorous requirements of the Oil and Gas Methane Partnership 2.0 (OGMP 2.0). Partnering with five leading sensor technology providers, ACE has integrated advanced sensors into its drone fleet, delivering emissions monitoring solutions, including up to level 5 emissions surveys. By measuring emissions, drones provide actionable data that enables companies to reduce their carbon footprint and demonstrate commitment to sustainability.

Acquisition of ACE

The acquisition of ACE in during the year was the most fundamental event that impacted the statement of profit or loss and the statement of financial position.

SRJ Technologies Group Plc

Directors' Report

For the year ended 31 December 2024

Acquisition of ACE (continued)

The Company executed a Share Purchase Agreement to acquire 100% of the issued capital of Air Control Entech Limited ("ACE") on 23 July 2024. ACE is a private company limited by shares incorporated in Scotland. The registered office is Units 12-13, Murcar Commercial Park, Denmore Road, Bridge of Don, Aberdeen, AB23 8JW, United Kingdom. Its principal activity is that of operation, design, manufacture and implementation of advanced robotics and drone technology for inspection solutions. The completion of the acquisition occurred on 20th August 2024. This transaction forms part of the strategy disclosed by the Company to the market of 'adopting digital technologies via organic growth and partnering or potentially acquiring niche players in the market that are driving digital transformation.' With the Energy industry now aggressively pursuing digital transformation, the provision of enabling technologies through the acquisition of ACE, will help drive the digitisation of a clients' asset integrity management and drive growth opportunities for the Company. The combination has generated significant cross-selling opportunities for both entities and created a structure in which ACE can expand globally with its current solutions which management believe will drive revenue growth.

As a result of the acquisition ACE's financial performance was consolidated into this years 'Statement of comprehensive income' (page 25) from 21 August 2024. This contributed £455,596 Turnover and contributed a positive £9,064 to the negative EBITDA of £933,875. This fell significantly below original forecasts released to the market because of delays in the awarding of contracts and the market was informed of this.

The performance of the Company, excluding the acquisition and subsequent consolidation of ACE but including the other subsidiaries, relative to the prior year can be summarised below:

	2024	2023	% Change
	£	£	
Turnover (excl ACE)	1,610,058	1,561,020	+3.14%
EBITDA (excl ACE)	(942,939)	(1,010,015)	+6.64%

Leadership Transition

During the year the Company undertook several strategic leadership transitions aimed at bolstering the Company's future growth and positioning it for expansion across core sectors, including oil and gas, maritime, and asset integrity management.

The appointment of George Gourlay as Non-Executive Chair, a proven leader with a track record of transformative growth, introduces further strategic vision alongside extensive operational expertise, which will be invaluable as SRJ embarks on its next growth phase. The appointment of David Milner as interim Chief Executive Officer (CEO) will also provide the stability and direction needed as the Company continue to focus on delivering value for their customers, employees, and stakeholders. In the interim CEO role, David will be responsible for leading the executive team and overseeing daily operations, ensuring the alignment of SRJ's strategic priorities.

Alexander Wood's transition from CEO to a Non-Executive role will allow him to focus on the Company's strategic initiatives. An additional Non-Executive Director, Giles Bourne, who possess extensive board and corporate governance experience, was also appointed during the period. With three non-executive positions this has allowed for the reinstatement of the Audit and Risk Committee and Remuneration and Nominations Committee in January 2025.

Financial Position

The Group's cash position as at 31 December 2024 was £636,986 (2023: £128,456). Coupled with the short-term debtor position of £1,006,436 (2023: £369,473) this provides sufficient liquidity to support ongoing operations and strategic initiatives. The Board and management continue to monitor the Company's financial position closely to ensure it remains sufficiently capitalised to support future growth and shareholder returns.

Business Strategy and Prospects

Strategic Overview

SRJ Technologies is positioned at the forefront of mechanical integrity, emissions monitoring, and remote inspection solutions, delivering innovative products and services that address the critical needs of the energy and industrial sectors. Leveraging advanced technologies such as drone, Remotely Operated Vehicle (ROV), and crawler-based inspections, SRJ ensures unparalleled safety and efficiency in asset management. Following the recent leadership transition, work is being undertaken on a 3-Year Growth Strategy and some of the key elements currently being finalised include

- *Revenue Growth*

Drive revenue growth through leveraging regional expansion and innovation strategies.

- *Market Expansion*

Enter and establish a strong presence in high-growth regions, including Southeast Asia, West Africa, and the Middle East, focusing on underserved markets and sectors.

- *Service and Innovation Leadership*

Expand service offerings to include Asset Integrity Engineering, Flange Management Engineering, and Hot Bolting solutions, benchmarking against competitors.

For the ACE division, continue innovating in drone, ROV, and crawler inspection services, adding data-driven solutions to enhance client outcomes.

Launch at least one innovative product annually, with a focus on modular repair systems, AI-powered inspection tools, and emissions monitoring technologies.

- *Sustainability Commitment*

By measuring emissions, ACE provide actionable data that enables companies to reduce their carbon footprint and demonstrate commitment to sustainability.

Customer-Centric Approach

Strengthen customer relationships by implementing advanced CRM systems, personalised service offerings, and region-specific solutions to improve retention and satisfaction.

The strategy leverages SRJ's recent acquisition of ACE, which has enhanced the company's capabilities in remote inspection and emissions analytics, and builds on its expertise in delivering innovative, scalable solutions. Through targeted regional expansion, strategic partnerships, and continued investment in R&D, SRJ has a platform to achieve its ambitious growth objectives while reinforcing its commitment to operational excellence.

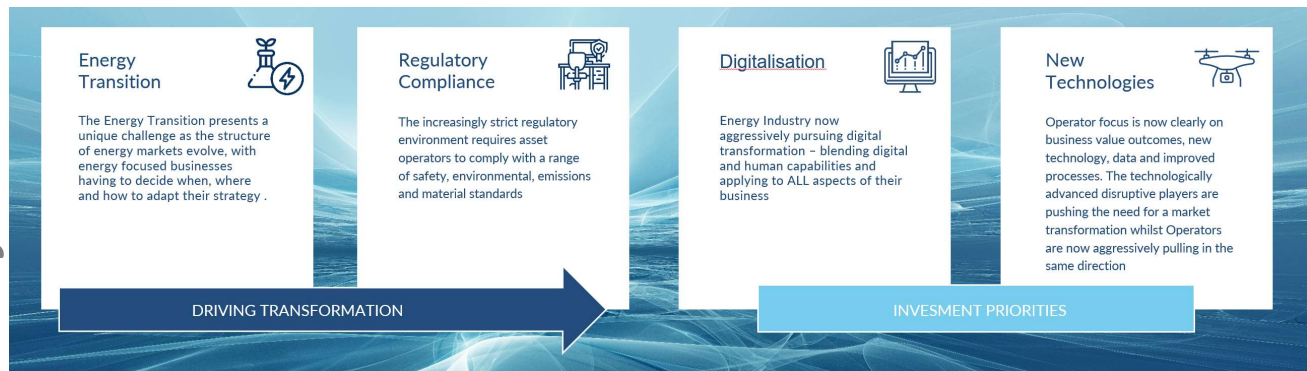
SRJ Technologies Group Plc

Directors' Report

For the year ended 31 December 2024

Industry trends and Investment priorities

The Industry trends and investment priorities remain the same as the prior year. The acquisition of ACE has strengthened the position in respect of Digitalisation and new Technologies but this will remain a focus.



Strategic Action Plan

Management have identified the following short-term action plan that will form the foundation to achieving SRJ's strategic plan:

- Strengthening our sales and marketing efforts to accelerate client acquisition.
- Enhancing operational efficiency through improved resource allocation and streamlined processes.
- Leveraging our expanded service offerings to deepen client relationships and secure long-term contracts.
- Increasing investments in innovation to bring differentiated, data-driven solutions to market faster.

Significant Changes in State of Affairs

Other than what is reported in the directors' report, there were no significant changes in the state of affairs of the Company during the financial year.

SRJ Technologies Group Plc

Directors' Report

For the year ended 31 December 2024

Earnings Per Share

	2024 £	2023 £
Loss for the year	(1,485,110)	(1,287,675)
Weighted average number of shares	336,572,051	148,661,857
Basic and diluted loss per share	<u>(0.004)</u>	<u>(0.009)</u>

Going Concern

The Group made a loss in the year in the amount of £1,485,110 (31 December 2023: £1,287,675) and as at 31 December 2024 was in a net asset position of £10,932,998 (31 December 2023: £418,274) and net current asset position of £669,493 (2023: net current liabilities £260,731).

The Directors have a reasonable expectation that further sales of product/services and/or consulting fees will be achieved on top of those purchase orders already received for 2025 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.

These circumstances indicate that a material uncertainty exists that may cast significant doubt upon the Group's ability to continue as a going concern. However, the Director's believe that the financial resources provided by expected sales are, in the opinion of the Directors, sufficient for them to prepare the financial statements on a going concern basis. The Directors also note that steps will be taken to enhance operational efficiency through improved resource allocation and streamlined processes with a view to reducing cash outflows. It is, however, acknowledged that the Group may be required to undertake another fund raise either through debt or equity if expected sales levels and subsequent cash inflows do not materialise. These matters indicate that a material uncertainty exists as the ability of the Group to either generate the forecasted sales or obtain further funding is unknown.

Dividends

There were no dividends paid in the year under review (2023 - £nil).

Results

The Consolidated Statement of Comprehensive Income for the year is set out on page 25.

Directors

The directors who served during the year and subsequently were:

George Gourlay	(appointed 6 November 2024)
Alexander Wood	
Robin Pinchbeck	(resigned 5 November 2024)
Roger Smith	
Stefan McGreevy	(appointed 21 August 2024)
Giles Bourne	(appointed 21 August 2024)

SRJ Technologies Group Plc

Directors' Report

For the year ended 31 December 2024

Disclosure of information to independent auditor

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 auditor 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 auditor.

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:

- appointment of Kurt Reeves as Chief Executive Officer and Executive Director, effective 15 May 2025

Likely Developments and Expected Results of Operations

Likely developments in the operations of the Group have been included in this report. SRJ's vision is to become the global leader in the provision of digitally integrated asset integrity services and solutions, and the strategy behind that is to:

- develop a group of digitally integrated asset integrity businesses through acquisition and synergistic growth; and
- acquire and grow established businesses and niche technology businesses and provide capital and management expertise to scale up. All within an entrepreneurial and technological business culture

The results of this strategy and subsequent operations in future financial years cannot be stated in any detail but the Board of Directors believe the Company has significant corporate and sector experience in order to capitalise on opportunities that arise out of the implemented strategy, The Board believe this approach will bring a significant value proposition to both our clients and investors.

Environmental issues

The Group is not subject to direct environmental regulations under Commonwealth or State legislation.

On-Market buy back

The Company has not undertaken any on market buy backs and there also is currently no on-market buyback.

SRJ Technologies Group Plc

Directors' Report

For the year ended 31 December 2024

Company secretary

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

Information on directors and company secretary

George Gourlay, Non -Executive Chair (appointed 6 November 2024)

Qualifications: -

With over 23 years of executive leadership experience, George brings to SRJ a deep industry background and a strong network of relationships across oil and gas, maritime, engineering, and project management sectors. George's career spans significant leadership roles where he has driven transformational change and expansion. As the former Chief Executive Officer of AYTBA (Al Yusr Industrial Contracting) in Saudi Arabia, George spearheaded a comprehensive restructuring initiative, aligning financial systems with strategic business goals to secure sustainable growth in Saudi's competitive petrochemical sector. Similarly, in his role as Chief Operating Officer at International Maritime Industries (a joint venture between Lamprell and Saudi Aramco), George was instrumental in crafting a five-year operational strategy that led to successful large-scale rig fabrication and maintenance projects. At Nexus Group, George further demonstrated his capacity for growth-oriented leadership. Serving as CEO, he led multiple acquisitions that significantly broadened the company's service offerings, establishing it as a premier provider in oil and gas services.

Mr Gourlay has a contractual relevant interest in 1,000,000 CDIs, subject to shareholder approval at the next general meeting.

Mr Gourlay has not held any directorships in other listed companies during the last 3 years.

Giles Bourne, Non -Executive Director (appointed 21 August 2024)

Qualifications: -

Giles has over 27 years of experience leading technology innovation and commercialisation across diverse industries, including multinational software companies, polymer banknote technology, and corporate advisory before being the CEO of BluGlass (ASX: BLG). At BluGlass he has completed multiple ASX capital raises and delivered multiple international development partnerships. Other relevant roles include BluGlass (ASX: BLG) – CEO /MD and currently non-executive director Ticketless Parking Pty Ltd, Circadian Health Innovations Pty Ltd and FreeGuides Pty Ltd as well as executive director at Scalare Partners Pty Ltd.

Mr Bourne has a relevant interest in 371,612 CDIs and a contractual relevant interest in the equivalent of A\$50,000 in CDIs, subject to shareholder approval at the next general meeting. If valued at year end share price of A\$0.048 (£0.024) this equates to 1,041,667 CDI's.

Mr Bourne has not held any directorships in other listed companies during the last 3 years.

Alexander Wood, Non -Executive Director

Qualifications: -

Mr. Wood co-founded SRJ after 15 years working across the industrial and technology sectors in the UK, Africa and Middle East. Alex has led SRJ's commercialisation as its CEO since inception, bringing a diverse range of skills spanning commercialisation, business development, strategic sales, and investment attraction. Mr. Wood's knowledge of the market comes from his experience in industrials, including his involvement in the acquisitions of Present Platinum Properties, Star Developments and Diamond Properties. Mr. Wood was previously Commercial Director at Middle East Corrosion Technologies.

SRJ Technologies Group Plc

Directors' Report

For the year ended 31 December 2024

Mr Wood has a relevant interest in 206,250 ordinary fully paid shares and 1,844,086 CDIs, which excludes ordinary shares/CDI's held by AVI Partners Limited (AVI). Alexander Wood owns 18% of the issued share capital of AVI.

Mr Wood has not held any directorships in other listed companies during the last 3 years.

Roger Smith, Executive Director (appointed 15 January 2023)

Qualifications: BSc

Roger is SRJ's Managing Director of UK, Europe and Middle East for SRJ and a senior member of the executive management team. Prior to this Mr Smith had been the Non-Executive Chairman of SRJ for 4 years. Mr Smith joined SRJ with over 35 years' experience in the oil and gas industry, having served as a Senior Vice President of Petrofac Plc and as a Non-Executive Director of Haydale Graphene Industries plc. He has also held the post of commercial Director with Bureau Veritas. Mr Smith holds a bachelor's degree in physics from University of Southampton.

Mr Smith has a relevant interest in 2,212,570 CDI's

Stefan McGreevy, Executive Director (appointed 21 August 2024)

Qualifications: BSc

Stefan is SRJ's Chief Financial Officer and a senior member of the executive management team. Mr McGreevy has been working with SRJ for 9 years and has been integral in the commercialisation of the Company. Mr McGreevy has over 25 years' experience in all facets of corporate services including finance, corporate governance, marketing, administration, human resources and regulatory compliance, having served as Head of Operations for Alden Global Capital a regulated investment manager. Other previous roles include Director at La Crosse Global Fund Services and a Director of the funds services division at Bank of America Merrill Lynch. He has also spent 11 years' with PricewaterhouseCoopers, as a chartered accountant specialising in the investment management sector. Mr McGreevy holds a bachelor's degree in Business from University of Plymouth and qualified as a Chartered Accountant with the Institute of Chartered Accountants in England and Wales in 2001.

Mr McGreevy has a relevant interest in 1,140,000 CDI's

Ben Donovan (Company Secretary)

Qualifications: B.Comm (Hons), ACG (CS)

Mr Donovan is a member of the Governance Institute of Australia and provides corporate advisory, IPO and consultancy services to a number of companies. Mr Donovan is currently a Director and Company Secretary of several ASX listed and public unlisted companies involved in the resources and technology industries.

He has extensive experience in listing rules compliance and corporate governance, having served as a Senior Adviser at the Australian Securities Exchange (ASX) in Perth for nearly 3 years, including as a member of the ASX JORC Committee.

In addition, Mr Donovan has experience in the capital markets having raised capital and assisted numerous companies in achieving an initial listing on the ASX, as well as for a period of time, as a private client adviser at a boutique stock broking group.

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Directors' Report

For the year ended 31 December 2024

Board meetings held and attended

During the financial year ended 31 December 2024, the following director meetings were held:

Director	Eligible to attend	Attended*
George Gourlay	1	1
Alexander Wood	8	8
Roger Smith	8	8
Giles Bourne	2	2
Stefan McGreevy	2	8**
Robin Pinchbeck	6	6

*Excludes meetings held by circular resolution

** attended by invitation as CFO

Unaudited Remuneration Report

The remuneration report details the key management personnel remuneration arrangements for the Company and was prepared using the Corporations Act 2001 and Corporations Regulations 2001 as a guideline, however, not all requirements have been adhered to. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including all directors.

The key management personnel of SRJ Technologies Group Plc for the financial year are:

Key Management Personnel	Position	Group entity
George Gourlay	Non-Executive Chair	SRJ Technologies Group Plc
David Milner	Chief Executive Officer	SRJ Tech Australia Pty Limited
Giles Bourne	Non-Executive Director (NED)	SRJ Technologies Group Plc
Alexander Wood	Former Chief Executive Officer/ current NED	SRJ Technologies Group Plc
Roger Smith	Executive Director & MD Europe and MENA	SRJ Technology Limited
Stefan McGreevy	Executive Director & Chief Financial Officer	SRJ Limited
Paul Eastwood	Technical Director	SRJ Technology Limited
Robin Pinchbeck	Non-Executive Chair (resigned)	SRJ Technologies Group Plc

The Company's policy for determining the nature and amount of emoluments of key management personnel is set out below;

Key Management Personnel (KMP) Remuneration and Incentive Policies

Due to the resignation of two Non-Executive board members the duties of the Remuneration and Nominations Committee ("the Committee") has been assumed back into the board. Remuneration levels for Directors and senior executives of the Company are competitively set to attract and retain appropriately qualified and experienced Directors and senior executives. The Board may obtain independent advice on the appropriateness of remuneration packages given trends in comparative companies both locally and internationally and the objectives of the Group's remuneration strategy. No such advice was obtained during the current year.

The remuneration structures explained below are designed to attract suitably qualified candidates, reward the achievement of strategic objectives, and achieve the broader outcome of creation of value for shareholders.

The remuneration structures take into account:

- the capability and experience of the Directors and senior executives;
- the ability of each Director and senior executive to control the relevant performance;
- the Group's performance; and the amount of incentives within each Director's and senior executive's remuneration

Unaudited Remuneration Report (continued)

In order to fulfil its responsibilities the Board shall;

a) Executive Remuneration Policy

- i. Review and approve the Company's recruitment, retention and termination policies and procedures for senior executives to enable the Company to attract and retain executives and Directors who can create value for shareholders.
- ii. Review the on-going appropriateness and relevance of the executive remuneration policy and other executive benefit programs.
- iii. Ensure that remuneration policies fairly and responsibly reward executives having regard to the performance of the Company, the performance of the executive and prevailing remuneration expectations in the market.

b) Executive Directors and Senior Management

- i. Consider and make recommendations to the Board on the remuneration for each executive Director (including base pay, incentive payments, equity awards, retirement rights, service contracts) having regard to the executive remuneration policy.
- ii. Review and approve the proposed remuneration (including incentive awards, equity awards and service contracts) for the direct reports of the CEO or equivalent. As part of this review the Board will oversee an annual performance evaluation of the executive team. This evaluation is based on specific criteria, including the business performance of the Company and its subsidiaries, whether strategic objectives are being achieved and the development of management and personnel.

c) Non-Executive Directors

The Board reviews the remuneration of Non-Executive Directors.

d) Executive Incentive Plan

Review and approve the design of any executive incentive plans.

e) Equity Based Plans

- i. Review and approve any equity-based plans that may be introduced (Plans) in the light of legislative, regulatory and market developments.
- ii. For each Plan, determine each year whether awards will be made under that Plan.
- iii. Review and approve total proposed awards under each Plan.
- iv. In addition to considering awards to executive Directors and direct reports to the CEO or equivalent, review and approve proposed awards under each Plan on an individual basis for executives as required under the rules governing each Plan or as determined by the Board.
- v. Review, approve and keep under review performance hurdles for each equity-based Plan.

Before a determination is made by the Company in a general meeting, the aggregate sum of the fees payable by the Company to the Non-Executive Directors is a maximum of A\$500,000 per annum.

SRJ Technologies Group Plc

Directors' Report

For the year ended 31 December 2024

Unaudited Remuneration report (continued)

Details of the remuneration of key management personnel of the Company and of the entities within the Group is set out in the table below.

Key Management Personnel	Position	Commenced	Term	Short term benefits Employee costs ¹		Post employment benefits Superannuation		Share based Payments		Total	
				2024 £	2023 £	2024 £	2023 £	2024 £	2023 £	2024 £	2023 £
George Gourlay	Non-Executive Chair	06/11/2024	^{2, 6}	8,414	-	-	-	-	-	8,414	-
David Milner	Chief Executive Officer	06/11/2024	^{3, 7}	87,763	65,892	-	-	32,264	-	120,027	65,892
Giles Bourne	Non-Executive Director	21/08/2024	^{2, 8}	8,898	-	1,023	-	-	-	9,921	-
Alexander Wood	Chief Executive Officer	01/08/2011	^{2, 4}	142,217	144,221	6,969	6,336	20,491	-	169,677	150,557
Roger Smith	MD, Europe and MENA	01/10/2019	³	137,961	134,678	-	-	17,076	-	155,037	134,678
Stefan McGreevy	Chief Financial Officer	01/11/2019	³	174,600	173,741	-	-	20,491	-	195,091	173,741
Paul Eastwood	Technical Director	01/01/2020	³	166,629	166,632	9,730	9,730	-	-	176,359	176,362
Robin Pinchbeck	Chief Executive Officer (resigned)	19/11/2019	⁵	16,667	25,000	-	-	-	-	16,667	25,000
				743,149	710,164	17,722	16,066	90,322	-	851,193	726,230

Notes:

1) Employee costs comprise director & management fees/salaries, employer social security/national insurance, private medical cover and commercial vehicle benefit (A. Wood only). No cash bonuses were paid in 2024 or 2023. The 2023 employee costs have been restated to include D Milner (£65,892) for comparative purposes.

2) The term expires at the next annual meeting where the position is up for re-election.

3) No fixed term. Mr Smith appointed as a Director to the Company on 15 January 2023 and S McGreevy 21 August 2024

4) Resigned as Chief Executive Officer on 6 November 2024 and continued as a Non-Executive Director

5) Resigned on 5 November 2024.

6) Mr Gourlay contractually entitled, subject to shareholder approval, to 1 million CDI's at nil cost, valued at year end share price of A\$0.048 (GBP/AUD 2.0) £0.024, thus having an indicative value of £24,000. These are yet to be issued so no share based expense is reflected in the accounts in accordance with FRS102. See note 9 within the notes to the financial statements for further detail.

7) As part of his appointment as CEO, Mr Milner was awarded 1 million options to acquire CDI's at nil cost under the SRJ Equity Incentive Plan valued at A\$0.05 (GBP/AUD 1.96591) £0.025434 (£25,434).

8) Mr Bourne contractually entitled, subject to shareholder approval, to the equivalent of A\$50,000 of CDI's at nil cost, valued at year end share price of A\$0.048 (GBP/AUD 2.0) £0.024. This equates to 1,041,667 CDIs, with an indicative value of £25,000. These are yet to be issued so no share based expense is reflected in the accounts in accordance with FRS102. See note 9 within the notes to the financial statements for further detail.

SRJ Technologies group Plc

Directors' Report

For the year ended 31 December 2024

Unaudited Remuneration Report (continued)

Share-based Compensation

Performance/NED Rights issued as Remuneration

There were no performance rights issued during 2024 with the exception of Mr Gourlay being issued, subject to shareholder approval, 1 million CDI's at nil cost, valued at year end share price of A\$0.048 (GBP/AUD 2.0) £0.024, thus having an indicative value of £24,000. Mr Gourlay's rights will be linked to a series of specific deliverables in relation to sales targets and strategic leadership that will be agreed once the issue of the performance rights have been agreed by shareholders. Mr Bourne became contractually entitled, subject to shareholder approval, to the equivalent of A\$50,000 CDIs at nil cost, valued at year end share price of A\$0.048 (GBP/AUD 2.0) £0.024 (thus equates to 1,041,667 CDIs, with an indicative value of £25,000). There are no conditions attached to Mr Bourne's share issue, which is still subject to shareholder approval, as this formed part of the negotiations for taking on the role.

As the above-mentioned share awards are yet to be issued, no share-based expense is reflected in the accounts in accordance with FRS 102.

Options over Equity instruments

The following Options were issued under the SRJ Technologies Employees Equity Incentive Plan and/or the SRJ Technologies Equity Incentive Plan during the period to the deal team members that was conditional on the successful completion of the ACE acquisition and linked capital raise. Both the acquisition and capital raise were successfully completed. The awards to Directors were approved at the EGM on 13 August 2024. The exercise price for the Options is A\$0.115 per Options. One Option is equivalent to one ordinary share/CDI. The Options will lapse on 12 November 2026. If exercised before this date the ordinary shares/CDI's issued will remain in escrow until 12 November 2026.

Key Management Personnel	Options awarded	Fair value of options at Grant date (£)
Alexander Wood	3,000,000	20,491
Roger Smith	2,500,000	17,076
Stefan McGreevy	3,000,000	20,491
David Milner	1,000,000	6,830

As part of his appointment to the Chief Executive Officer position David Milner also received 1 million options, which vested immediately, with a nil exercise price, valued at a share price of A\$0.05/£0.025434 (amounting to £25,434) for shares in the Company which will expire on 6 November 2026.

Additional Disclosures relating to Key Management Personnel

Shareholding

The number of shares/CDI's in the Company held during 2024 by each director and other members of key management personnel of the Company, including their personally related parties, is set out in the following table below:

Key Management Personnel	Balance as at 1 January 2024	Additions/(disposals)	Balance as at 31 December 2024*
George Gourlay	-	1,000,000 ¹	1,000,000
David Milner	2,615,969	679,570	3,295,539
Giles Bourne	-	1,413,279 ²	371,612
Alexander Wood	1,852,917	197,419	2,050,336
Roger Smith	1,833,333	379,237	2,212,570
Stefan McGreevy	1,140,000	-	1,140,000
Paul Eastwood	760,000	-	760,000
Robin Pinchbeck	861,934	2,044,432	2,906,366

SRJ Technologies group Plc

Directors' Report

For the year ended 31 December 2024

¹ Mr Gourlay contractually entitled upon commencement of his Chair position to 1 million CDI's at nil cost, subject to shareholder approval.

² Mr Bourne contractually entitled upon commencement of his NED position to the equivalent of A\$50,000 CDI's at nil cost, subject to shareholder approval. Valued at year end share price of A\$0.048 (£0.024) this equates to 1,041,667, having already purchased 371,612 CDI's in one of the equity raises in the year.

* this includes NED Rights held by Robin Pinchbeck that were converted to CDI's following his resignation in 2024 but excludes shares held by AVI Partners Limited, a company which Alexander Woods holds 18% and Stefan McGreevy 5% of the issued share capital. R Smith opening balance corrected due to error in prior year disclosure.

Other Transactions with Key Management Personnel and/or their Related Parties

On 22 December 2023, Alexander Wood provided the Company with a short term unsecured, interest free loan of £50,000 to cover working capital requirements which was settled on 4 January 2024. There were no other transactions conducted between the Group and Key Management Personnel or their related parties, that were conducted other than in accordance with normal employee, customer or supplier relationships on terms no more favourable than those reasonably expected under arm's length dealings with unrelated persons.

There were no other loans to/from related parties of key management personnel during the financial year.

During the year a wholly owned subsidiary of AVI Partners Limited, continued to rent office space to the Company, the annual charge for this is £15,000.

The above concludes the Remuneration Report section of the Directors' Report.

Other information

Indemnification of Officers and Auditors

The Group has not otherwise, during or since the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such an officer or auditor.

Non-Audit Services

During the year, Grant Thornton Limited (Channel Islands) continued to provide statutory and interim audit services. Details of the amounts paid to the auditor for non-audit services provided during the financial year are outlined in Note 8.

The Directors are satisfied that the provision of non-audit services during the financial year, by the auditor, is compatible with the general standard of independence for auditors.

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

Stefan McGreevy
Director



Date: 28 March 2025

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SRJ Technologies Group Plc

ASX Additional Information

For the year ended 31 December 2024

Substantial Holders

The names of the substantial shareholders (who hold 5% of more of the issue capital) are listed below:

Ordinary Shares and CDI's Combined

Name	Number of securities	% of issued combined
Kieran Hope	85,743,572	13.75%
HSBC Custody Nominees (Australia) Limited*	59,295,772	9.51%
J P Morgan Nominees Australia Pty Limited*	51,036,912	8.18%
Jindabyne Capital Pty Ltd (including related parties)	35,293,238	5.66%

*Information not available to break the nominee holdings down to individual holders

Distribution of Securities

Number of Ordinary Shares and CDI's combined	Number of holders	Number combined	% of securities held
1-1,000	35	18,316	0.0%
1,001-5,000	115	340,353	0.1%
5,001-10,000	83	670,508	0.1%
10,001-100,000	214	8,989,916	1.4%
100,001 and over	276	613,523,485	98.4%
Total	723	623,542,578	100.0%

Top Twenty securityholders

Ordinary shares and CDI's combined

The names of the twenty largest holders of Ordinary shares and CDI's combined are listed below:

Name	Number of securities	% of issued combined
Mr Kieran Hope	85,743,572	13.75%
HSBC Custody Nominees (Australia) Limited	59,295,772	9.51%
J P Morgan Nominees Australia Pty Limited	51,036,912	8.18%
Jindabyne Capital Pty Ltd	35,293,238	5.66%
AVI Partners Ltd	25,791,164	4.14%
Citicorp Nominees Pty Limited	25,760,285	4.13%
Mr Timothy Stevenson	21,480,637	3.44%
Mr Graham Stronach	21,480,637	3.44%
Raleigh Atlantic Ltd	19,137,840	3.07%
Solibay Capital Partners Inc	14,836,019	2.38%
Mr Derek Smith	11,812,738	1.89%
Mr Blair Nichols	10,139,686	1.63%
BNP Paribas Noms Pty Ltd	7,532,955	1.21%
Kingslane Pty Ltd <Cranston Super Pension A/C>	7,272,728	1.17%
Mr Xuan Khoa Pham	7,236,272	1.16%
Ms Elaine Grant	7,018,397	1.13%
Dropmill Pty Ltd <Russell Glenn Super A/C>	4,923,949	0.79%
HSBC Custody Nominees (Australia) Limited - A/C 2	4,890,000	0.78%
VUURTORING PTY LTD <CLOVEHILL FAMILY A/C>	4,800,000	0.77%
UBS NOMINEES PTY LTD	4,500,000	0.72%
Top Twenty Security holders total	429,982,801	68.96%
Remaining Securityholders	193,542,578	31.04%
Total	623,542,578	100.00%

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SRJ Technologies Group Plc

ASX Additional Information

For the year ended 31 December 2024

Restricted Securities

There are no restricted securities at present.

Use Proceeds

In accordance with listing rule 4.10.19 the Company confirms that it has used its cash and assets in a form readily convertible to cash in a way consistent with its business objectives at the time of admission.

Corporate Governance Statement

The Board of SRJ Technologies Group Plc is committed to achieving and demonstrating the highest standards of Corporate Governance. The Board is responsible to its shareholders for the performance of the Company and seeks to communicate extensively with shareholders. The Board believes that sound Corporate Governance practices will assist in the creation of shareholder wealth and provide accountability. In accordance with ASX Listing Rule 4.10.3, the Company has elected to disclose its Corporate Governance policies and its compliance with them on its website, rather than in the Annual Report. Accordingly, information about the Company's Corporate Governance practices is set out on the Company's website at www.srj-technologies.com/investors/

Voting Rights of Shares

Subject to the Companies (Jersey) Law 1991 and to any rights or restrictions attached to any shares, on a show of hands every Shareholder present in person or by proxy has one vote, and where a proxy has been appointed by more than one Shareholder, such proxy shall have one vote for each Shareholder. On a poll, every Shareholder present in person or by proxy has one vote for every share of which he is a holder. If more than one of the joint holders of a share tenders a vote on the same resolution, whether in person or by proxy, the vote of the joint holder named first in the register of members shall be accepted to the exclusion of the vote(s) of the other joint holders.

Voting Rights of CDI's

Under the ASX Listing Rules and the ASX Settlement Operating Rules, the Company must allow CDI holders to attend any meeting of the holders of Shares unless relevant Jersey law at the time of the meeting prevents CDI holders from attending those meeting. In order to vote holders must nominate Chess Depository Nominees to vote on their behalf.

Marketable securities

There are no holders holding less than a marketable parcel of securities.

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SRJ Technologies Group Plc

Statement of Directors Responsibilities

For the year ended 31 December 2024

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 year 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 auditors' 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 auditors which is false or misleading and to fail to promptly provide information requested.

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INDEPENDENT AUDITOR'S REPORT

To the members of SRJ Technologies Group PLC

Opinion

We have audited the consolidated financial statements of SRJ Technologies Group Plc (the "Company") and its subsidiaries (together the "Group") for the year ended 31 December 2024 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 Flow and notes to the financial statements, including a summary of significant accounting policies. The consolidated financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the consolidated financial statements:

- give a true and fair view of the financial position of the Group as at 31 December 2024, and of its financial performance and its cashflows for the year then ended;
- are in accordance with United Kingdom Generally Accepted Accounting Practice; and
- comply with the Companies (Jersey) Law 1991.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the consolidated financial statements' section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Jersey, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty related to going concern

We draw attention to note 2.3 in the financial statements, which indicates that the Group made a loss in the amount of £1,485,110 during the year ended 31 December 2024 and, as of that date, the Group's net current asset position of £669,493. As stated in note 2.3, these events or conditions, along with other matters set forth in note 2.3, indicate that a material uncertainty exists that may cast a significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters, in addition to the matter described in the Material uncertainty related to going concern section are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those that had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the group financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter	How the matter was addressed in our audit
<p>Revenue recognition</p> <p>Revenue was considered to be a key audit matter due to the presumed risk of fraud in accordance with ISA 240, which requires a presumption that there are risks of fraud in revenue recognition</p> <p>The Group generates revenue from various customer contracts, which may include complex terms and judgmental elements, particularly in relation to the timing of revenue recognition.</p> <p>This matter was of most significance in our audit due to the level of judgment involved and the potential for management override of controls, which could result in a material misstatement.</p> <p><i>Refer to the Accounting policies in pages 30-31, and Note 4, Turnover, to the Financial Statements.</i></p>	<p>In responding to the key audit matter, we performed the following audit procedures:</p> <ul style="list-style-type: none"> • We updated our understanding of the Group's processes, policies and controls relating to revenue recognition and performed tests of design and implementation of key controls; • We assessed the Group's revenue recognition policies for compliance with FRS 102 and tested their consistent application across the Group; • We selected a sample of revenue transactions and performed recalculations based on contractual terms to test the accuracy of amounts recognised; • We examined a sample of customer agreements, supporting invoices, and proof of payment to evaluate whether revenue was recognised in the correct accounting period; and • We considered the appropriateness of the debtors included at year end and agreed, for a sample of items, to supporting invoices and subsequent bank receipts where appropriate.
<p>Capitalisation of development costs and impairment relating to intangible fixed assets</p> <p>At 31 December 2024, the Group carried a balance on Intangible Assets of £1,166,244. We assessed the accounting policies for intangible assets to ensure that this was compliant with the requirements of the United Kingdom Generally Accepted Accounting Practices and reviewed the basis of the carrying value of the intangible assets as at the balance sheet date which has been calculated at cost less impairment and amortised over their estimated remaining useful lives.</p> <p>This comprised of both patents and development expenditure. The Group accounts for patent and development expenditure initially at cost and thereafter at cost less accumulated amortisation and any impairment losses.</p> <p>The intangible assets are considered significant as they represent the intellectual property of the Group and a key driver of future revenue. There is a risk that the carrying value of intangible assets exceeds their recoverable amount, particularly where the assets relate to</p>	<p>In responding to the key audit matter, we performed the following audit procedures:</p> <ul style="list-style-type: none"> • We assessed the accounting policies for intangible assets to ensure that this was compliant with the requirements of the United Kingdom Generally Accepted Accounting Practices and reviewed the basis of the carrying value of the intangible assets as at the balance sheet date which has been calculated at cost less impairment and amortised over their estimated remaining useful lives. • We tested additions on a sample basis to supporting documentation and assessed the appropriateness of the Group's capitalisation policy to accounting standards. • We obtained and reviewed management's assessment of the indications of impairment as at year end. We reviewed the assessment and critically evaluated the judgement made by management based on our knowledge of the Group's legal and economic environment. Consideration was given to the to the following external and internal indications of impairment; <ul style="list-style-type: none"> ➤ whether the market value of the intangible assets has declined during the year as a

The key audit matter	How the matter was addressed in our audit
<p>development projects with significant judgment involved in estimating future economic benefits.</p> <p>Furthermore, the identification and calculation of any impairment charge or useful economic life of the intangible assets requires management to use a number of judgements and estimates.</p> <p><i>Refer to the Accounting policies in pages 32-33, and Note 12, Intangible fixed assets, to the Financial Statements.</i></p>	<p>result of the passage of time or normal use;</p> <ul style="list-style-type: none"> ➤ whether significant changes with an adverse effect on the Group have taken place during the period, or will take place in the near future, in the technological, market, economic or legal environment in which the Group operates; ➤ whether significant changes with an adverse effect on the Group have taken place during the year or are expected to take place in the near future, in the extent to which, or manner in which the asset underlying the intangible asset is expected to be used; and ➤ Any evidence available from internal reporting that indicates that the economic performance of the intangible asset is, or will be, worse than expected.
<p>Accounting for the acquisition of Air Control Entech Limited and impairment of the related goodwill</p> <p>During the year, the Group acquired a new subsidiary – Air Control Entech Limited (ACE). Significant judgement is involved in the considering whether the acquisition meets the definition of a business combination, and in calculating the fair value of the net assets acquired, the allocation of the purchase price and resultantly the determination of goodwill.</p> <p>The acquisition made by the Group has generated a significant amount of goodwill being recognised on the consolidated statement of financial position. There is a risk that the carrying value of goodwill may not be recoverable if the acquired business does not perform as expected. The assessment of goodwill impairment involves significant management judgement when determining the assumptions included in the assessment.</p> <p>These assumptions are based on estimates that are affected by expected future economic and market conditions in the geographic region and industry in which ACE operates.</p> <p><i>Refer to the Accounting policies in pages 32-33, and Note 11, Acquisition of subsidiary, to the Financial Statements.</i></p>	<p>In responding to the key audit matter, we performed the following audit procedures:</p> <ul style="list-style-type: none"> • We obtained an understanding of, and evaluated the design and implementation of controls around the preparation, review and accounting for the business combination; • We evaluated whether the acquisition was appropriately authorised through review of board minutes and verified supporting documentation including payment evidence; • We reviewed the purchase agreement to determine the consideration paid, verify and assess the acquisition date (by reference to the date the date that the control was passed to the Group) • We reviewed management calculation of goodwill and assess compliance with FRS 102, including reconciling the amounts to the underlying accounting records and the completion accounts of ACE. <p>In respect of the goodwill impairment, we performed the following procedures</p> <ul style="list-style-type: none"> • We obtained an understanding of, and evaluated the design and implementation of the controls around the preparation and review of impairment calculations; • We assessed the Group's impairment testing model and performed a detailed review of management's cash flow forecasts. This included evaluating the reasonableness and accuracy of key assumptions such as forecast sale pipelines probabilities and growth rates, considering historical performance, current business conditions, and external market data; • We tested the integrity and mathematical accuracy of the impairment model and underlying data;

The key audit matter	How the matter was addressed in our audit
	<ul style="list-style-type: none"> • We assessed the appropriateness of the discount rates and long-term growth rates applied and challenged the forecasting methodology to ensure consistency and justification for significant inputs; • We reviewed the sensitivity analysis prepared by management applying a 40% haircut on the probability of the forecasted revenue to assess the impact of changes in key assumptions on the recoverable amount of goodwill. This included assessing the headroom available and evaluating whether reasonably possible changes in assumptions such as reductions in forecast cash flows or increases in discount rates would result in an impairment; and • We reviewed the financial statement disclosures relating to the acquisition and goodwill to ensure they are complete and compliant with FRS 102.

Other information in the Annual Report

The directors are responsible for the other information. The other information comprises the information included in the 'Directors Report and Consolidated Audited Financial Statements', other than the financial statements and our auditor's report thereon. Our opinion on the Group financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the Group financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement of the group financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies (Jersey) Law 1991 requires us to report to you if, in our opinion:

- proper accounting records have not been kept by the Group; or
- the Group financial statements are not in agreement with the accounting records; or
- we have not received proper returns adequate for our audit from branches not visited by us; or
- we have not obtained all the information and explanations, which to the best of our knowledge and belief, are necessary for the purposes of our audit.

Responsibilities of the directors for the consolidated financial statements

As explained more fully in the statement of directors' responsibilities set out on page 18, the directors are responsible for the preparation of the consolidated financial statements which give a true and fair view in accordance with UK GAAP, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Section 113A of the Companies (Jersey) Law 1991. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Alexander Ross Langley

For and on behalf of Grant Thornton Limited

Chartered Accountants

St Helier

Jersey

28 March 2025

SRJ Technologies Group Plc

**Consolidated Statement of Comprehensive Income
For the Year Ended 31 December 2024**

	Notes	Year ended 31 December 2024 £	Year ended 31 December 2023 £
Turnover	4	2,065,654	1,561,020
Cost of sales		(576,539)	(251,986)
Gross profit		1,489,115	1,309,034
Administrative expenses		(3,012,267)	(2,539,029)
Other operating income	5	71,945	84,326
Interest received		679	-
Operating loss		(1,450,528)	(1,145,669)
Interest expense	6	(31,548)	(142,006)
Loss before taxation		(1,482,076)	(1,287,675)
Tax on loss	7	(3,034)	-
Loss for the financial year		(1,485,110)	(1,287,675)
Other comprehensive income:			
(Loss)/gain on translation of foreign subsidiary		(26,383)	2,058
Total comprehensive loss for the year		(1,511,493)	(1,285,617)
Total comprehensive loss for the year attributable to:			
Ordinary equity holders of the parent		(1,511,493)	(1,285,617)
<i>Earnings Per Share</i>			
Basic and diluted loss per share for the year attributable to ordinary equity holders of the parent		(0.004)	(0.009)

There were no recognised gains and losses for the year ended 31 December 2024 or year ended 31 December 2023 other than those included in the consolidated statement of comprehensive income.

The notes on pages 29 to 46 form part of these financial statements.

SRJ Technologies Group Plc

Consolidated Statement of Financial Position
As at 31 December 2024

		31 December 2024 £	31 December 2023 £
Fixed assets	Notes		
Intangible assets	12	10,231,413	669,601
Tangible assets	13	215,263	38,082
		<u>10,446,676</u>	<u>707,683</u>
Current assets			
Inventory	14	84,266	84,470
Debtors: amounts falling due within one year	15	1,006,436	369,473
Cash and cash equivalents		636,986	128,456
		<u>1,727,688</u>	<u>582,399</u>
Current liabilities			
Creditors: amounts falling due within one year	16	(1,027,442)	(793,130)
Loans payable	17	(30,753)	(50,000)
		<u>(1,058,195)</u>	<u>(843,130)</u>
Net current assets / (liabilities)		<u>669,493</u>	<u>(260,731)</u>
Non-current liabilities			
Creditors: amounts falling due after one year	18	(183,171)	(28,678)
Net assets		<u>10,932,998</u>	<u>418,274</u>
Capital and reserves			
Issued share capital	21	77,943	30,848
Share premium account	21	30,031,265	18,141,907
Share based payment reserve	9	92,030	-
Translation reserve		(17,913)	8,470
Retained earnings		(19,250,327)	(17,762,951)
		<u>10,932,998</u>	<u>418,274</u>

The financial statements were approved and authorised for issue by the board on 28 March 2025 and were signed on its behalf by:

Stefan McGreevy
Director



Date: 28 March 2025

The notes on pages 29 to 46 form part of these financial statements.

SRJ Technologies Group Plc

Consolidated Statement of Changes in Equity
For the Year Ended 31 December 2024

	Called up share capital £	Share premium £	Share based payment reserve £	Translation reserve £	Retained earnings £	Total equity £
At 1 January 2023	24,197	15,216,406	1,905,814	6,412	(16,475,276)	677,553
Total comprehensive loss for the year	-	-	-	2,058	(1,287,675)	(1,285,617)
CDIs issued during the year (note 21)	3,117	629,751	-	-	-	632,868
Issue of share capital in lieu of fees and repayment of convertible loan notes (note 9)	2,273	415,850	-	-	-	418,123
Issue of share capital on exercise of employee and NED rights (note 9)	1,261	1,879,900	(1,881,161)	-	-	-
Adjustment to SBPR re previous year (note 9)	-	-	(24,653)	-	-	(24,653)
At 31 December 2023	30,848	18,141,907	-	8,470	(17,762,951)	418,274
Adjustment to opening reserves at 1 January 2024 *	-	-	-	-	(2,266)	(2,266)
Total comprehensive loss for the year	-	-	-	(26,383)	(1,485,110)	(1,511,493)
CDIs issued during the year, net of transaction costs (note 21)	47,095	11,889,358	-	-	-	11,936,453
Issue of share options (note 9)	-	-	92,030	-	-	92,030
At 31 December 2024	77,943	30,031,265	92,030	(17,913)	(19,250,327)	10,932,998

* An adjustment has been made to opening reserves to record a rent expense for 2023 in the correct period. The effect is an increase in the reported loss for 2023 from £1,287,675 to £1,289,941. The comparative figures have not been restated as this amount is immaterial and FRS 102 allows for correction in the current period rather than restating prior-year comparatives.

The notes on pages 29 to 46 form part of these financial statements.

SRJ Technologies Group Plc

**Consolidated Statement of Cash Flows
For the Year Ended 31 December 2024**

	Notes	Year ended 31 December 2024 £	Year ended 31 December 2023 £
Cash flows used in operating activities			
Loss for the financial year		(1,485,110)	(1,287,675)
Adjustments for:			
Amortisation of intangible assets		463,893	112,237
Depreciation of tangible assets		52,760	23,417
Loss on disposal of fixed assets		(11,258)	2,178
Interest paid		31,548	142,006
Interest received		(679)	-
Share based payments for directors' fees		-	(24,653)
Fees settled by issue of CDIs		-	175,899
Share based payments expense		92,030	-
Unrealised gain on foreign exchange		(8,200)	(9,094)
Decrease in inventory, net of acquisition		25,943	1,194
(Increase)/decrease in BoltEx® stock inventory		(4,367)	37,747
Decrease in debtors, net of acquisition		(308,194)	(2,863)
(Decrease)/increase in creditors, net of acquisition		(292,171)	55,374
Net cash used in operating activities		(1,443,805)	(774,232)
Cash flows from investing activities			
Purchase of intangible fixed assets		(74,910)	(18,985)
Purchase of tangible fixed assets		(64,804)	-
Acquisition of subsidiary, net of cash acquired		(4,879,898)	-
Interest received		679	-
Proceeds from disposal of fixed assets		38,956	-
Net cash used in investing activities		(4,979,977)	(18,985)
Cash flows from financing activities			
Issue of ordinary shares/CDIs		7,451,589	632,868
Transaction costs re issue of shares/CDIs		(840,753)	-
New finance leases		13,860	-
Repayments towards finance leases		(80,880)	(10,754)
Interest paid		(24,030)	(142,006)
Directors' loans		30,753	50,000
New loans		13,000	-
Invoice factoring		96,683	-
Repayment of loans		(2,796)	-
Repayment of directors' loans		(50,000)	(421,350)
Drawdown of convertible loan notes		345,630	775,602
Repayment of convertible loan notes		-	(497,845)
Net cash provided/(used in) from financing activities		6,953,056	386,515
Net decrease in cash and cash equivalents		529,274	(406,702)
Effect of changes in foreign exchange rate			
Effect of translating results of an overseas subsidiary		(26,383)	2,058
Effect of changes in foreign exchange rates on cash and cash equivalents		8,471	9,094
Realised foreign exchange gain on conversion/repayment of convertible loan notes		(2,832)	(35,533)
		(20,744)	(24,381)
Cash and cash equivalents at beginning of year		128,456	559,539
Cash and cash equivalents at the end of year		636,986	128,456
Cash and cash equivalents at the end of year comprise:			
Cash at bank and in hand		636,986	128,456

The notes on pages 29 to 46 form part of these financial statements.

**Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2024**

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 Limited incorporated in Australia which are all 100% owned by the Company deliver a range of asset integrity products, consulting services and solutions to the energy and maritime industries. The 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. The Asset Integrity Management consulting services help asset owners to develop and implement an effective asset integrity strategy. During the year the Company acquired 100% of the share capital of Air Control Entech Limited ("ACE"), incorporated in the United Kingdom. ACE provides remote inspection services utilising advanced robotics and custom UAV technologies. By providing advanced robotic and UAV systems, ACE is revolutionising asset inspection in terms of minimising human risk and providing accurate and repeatable inspection data thereby delivering asset integrity assurance and management to the Energy and Marine industries. The Company also owns 100% of the issued share capital of Acorn Intellectual Properties Limited, a Company also incorporated in Jersey, Channel Islands which has the primary activity of holding intellectual property.

2. Summary of significant accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 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 incorporate the assets and liabilities of all subsidiaries of the Group as at 31 December 2024 and the results of all subsidiaries for the year then ended.

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.

The consolidated financial statements incorporate the results of business combinations using the purchase method. Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated in full on consolidation. Accounting policies of subsidiaries are changed where necessary to ensure consistency with the policies adopted by the Group. 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 unless the fair value cannot be measured reliably, in which case the value is incorporated in goodwill.

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.

2.3 Going concern

The Group made a loss in the year in the amount of £1,485,110 (31 December 2023: £1,287,675) and as at 31 December 2024 was in a net asset position of £10,932,998 (31 December 2023: £418,274) and net current asset position of £669,493 (2023: net current liabilities £260,731). 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.

**Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2024**

2. Summary of significant accounting policies (continued)

2.3 Going concern (continued)

The Directors have a reasonable expectation that further sales of product/services and/or consulting fees will be achieved on top of those purchase orders already received for 2025 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.

These circumstances indicate that a material uncertainty exists that may cast significant doubt upon the Group's ability to continue as a going concern. However, the Director's believe that the financial resources provided by expected sales are, in the opinion of the Directors, sufficient for them to prepare the financial statements on a going concern basis. The Directors also note that steps will be taken to enhance operational efficiency through improved resource allocation and streamlined processes with a view to reducing cash outflows. It is, however, acknowledged that the Group may be required to undertake another fund raise either through debt or equity if expected sales levels and subsequent cash inflows do not materialise. These matters indicate that a material uncertainty exists as the ability of the Group to either generate the forecasted sales or obtain further funding is unknown.

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, after considering discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

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

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

**Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2024**

2. Summary of significant accounting policies (continued)

2.5 Revenue (continued)

Turnover

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 participates in a revenue sharing agreement, whereby the Group earns 10% of revenues generated by the customer from the rental by the customer of SRJ BoltEx® products. Revenues due under the agreement are declared to the Group monthly and are recognised as revenue in the period to which the rentals relate. The revenue recognised represents the net amount of revenue earned, which is 10% of the total revenue generated by the customer.

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

Other operating income

Other income includes 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 Grant income

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the 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 Statement of comprehensive income in the same period as the related expenditure.

2.7 Interest income

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

2.8 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 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.

2.9 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 Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

**Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2024**

2. Summary of significant accounting policies (continued)

2.11 Taxation

The tax expense for the year comprises current and deferred income tax. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised directly in other income or equity - in which case, the tax is also recognised in other income or equity. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the Statement of Financial Position date in the countries where the Group operates. Provisions are established where appropriate on the basis of amounts expected to be paid to the tax authorities.

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

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

2.12 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.

2.13 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.

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition.

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 relating to SRJ Limited and SRJ Technologies Limited, which first became available for use in 2017 when production and sale of the product commenced, 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 development costs relating to Air Control Entech Limited are amortised on a 20% straight line basis once commercially developed and complete so as to write off the cost or valuation of the assets less their residual values over their estimated useful lives of 5 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.

Goodwill, including costs directly attributable to business combinations

Goodwill arises on the acquisition of a business. On acquisition, fair values are attributed to the identifiable assets and liabilities unless the fair value cannot be measured reliably, in which case the value is incorporated in goodwill.

Goodwill recognised represents the excess of the fair value of the purchase consideration over the fair value of the assets and liabilities acquired.

**Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2024**

2. Summary of significant accounting policies (continued)

2.13 Intangible assets (continued)

Goodwill arising on the acquisition of a business is initially recognised as an asset at cost. After initial recognition, goodwill acquired in a business combination is recognised at cost less accumulated amortisation and accumulated impairment. Goodwill is considered to have a finite useful life of 10 years and is therefore amortised on a 10% straight line basis.

The goodwill 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.

2.14 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.

2.15 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%	Straight line basis
Computer equipment	-	20%-33%	Straight line basis
Plant and machinery	-	20%	Straight line basis
Motor vehicles	-	25%	Straight line basis
Leasehold property	-	20%	Straight line basis

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.

2.16 Inventories

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

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

2.17 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.

2.18 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.

**Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2024**

2. Summary of significant accounting policies (continued)

2.18 Cash and cash equivalents (continued)

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.

2.19 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.

2.20 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

2.21 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 £.

2.22 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.

2.23 Convertible debt

A convertible loan note whereby the issuer is obligated to pay principal and interest, but the holder has an option to convert their holding into a fixed number of equity shares of the issuer is classified as a compound financial instrument. From the issuer's perspective such notes contains two elements, a financial liability represented by the obligation to deliver cash payments and an equity element, represented by the obligation to deliver a fixed number of equity shares. For the conversion right to be classified as an equity instrument, it must meet the 'fixed for fixed' criterion. This requires that a fixed amount of cash or other financial asset be exchanged for a fixed number of equity instruments. A convertible loan note that allows for conversion into a variable number of shares has no equity element.

The proceeds received on issue of the Group's convertible debt are allocated between a liability component and an equity component in accordance with the substance of the agreement and FRS 102.

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

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

Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2024

2. Summary of significant accounting policies (continued)

2.23 Convertible debt (continued)

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

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

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

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

Impairment of intangible assets

The carrying value of Intellectual Property in the form of patent and development costs (IP), are dependent on the expected future revenue from product sales and services rendered in connection with the IP. The patents and development costs, residual values, useful lives and amortisation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date. In assessing if there has been an indication of impairment the Directors considered both external and internal factors dictated by FRS 102 alongside other considerations as to the current position of the Group. A key factor considered was that revenues has increased in excess of 100% compared to the previous period. An impairment assessment was performed and it was concluded that there was no impairment.

An impairment assessment was performed on goodwill arising on the acquisition of a business. Goodwill was tested for impairment within the context of the cash generating unit (CGU) to which it has been allocated (the business operations of the acquired company). This involved estimating the present value of the future cash flows expected to be generated by the CGU, discounted at 12%, with average cash flow growth rates of 26% (higher rates in earlier years) and a terminal growth rate of 3%. From the current calculation, the recoverable amount is not lower than the carrying amount. The projections indicate that the future cash flows from these assets will exceed their carrying value. Therefore it was concluded that there was no impairment.

Useful life of intangible assets

The basis for estimating the useful life of intangible assets, including goodwill, is disclosed in note 12. The useful lives and amortisation methods for intangible assets are reviewed and adjusted prospectively, if appropriate, or if there is a significant change since the last reporting date

Impairment of debtors

The Group makes an estimate of the recoverable value of trade and other debtors. When assessing the impairment of trade and other debtors, the directors consider factors including current credit rating of the debtor, ageing profile of debtors and historical experience.

4. Turnover

Turnover, analysed geographically between markets, was as follows:

31 December 2024					
	Revenue Sharing Income	Product sales	Rental income	Services rendered	Total
	£	£	£	£	£
Europe	-	156,573	-	627,481	784,054
Americas	-	260,645	-	-	260,645
Middle East & Africa	-	36,841	-	11,148	47,989
Asia	28,725	940,677	-	3,564	972,966
	<u>28,725</u>	<u>1,394,736</u>	<u>-</u>	<u>642,193</u>	<u>2,065,654</u>
31 December 2023 (as restated)					
	Revenue sharing income	Product sales	Rental income	Services rendered	Total
	£	£	£	£	£
Europe	-	153,313	-	55,112	208,425
Americas	-	181,417	-	26,301	207,718
Middle East & Africa	-	422,206	-	-	422,206
Asia	7,332	697,016	13,177	5,146	722,671
	<u>7,332</u>	<u>1,453,952</u>	<u>13,177</u>	<u>86,559</u>	<u>1,561,020</u>

The 2023 comparatives have been restated to show turnover geographically between markets, rather than where the turnover was derived from.

SRJ Technologies Group Plc

**Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2024**

5. Other operating income	Year ended 31 December 2024	Year ended 31 December 2023
	£	£
R&D tax credits	67,870	84,326
Grant income	4,075	-
	<u>71,945</u>	<u>84,326</u>
 6. Interest payable	 Year ended 31 December 2024	 Year ended 31 December 2023
	£	£
Finance lease interest	7,624	2,063
Interest on drawdown of convertible loan notes ("OID")	-	111,012
Interest on conversion/early repayment of convertible loan notes	7,518	28,611
PAYE interest and penalties	7,152	-
General interest expense	9,254	320
	<u>31,548</u>	<u>142,006</u>
 7. Taxation	 Year ended 31 December 2024	 Year ended 31 December 2023
	£	£
Current tax	3,034	-
Taxation is calculated at the rates prevailing in the respective jurisdictions of each group company. With the availability of tax losses, the only charge to tax is in relation to ACE and tax payable on the R&D Expenditure Credit (RDEC) calculation, at a rate of 25%.		
 8. Auditor remuneration	 Year ended 31 December 2024	 Year ended 31 December 2023
	£	£
Annual audit	62,500	44,000
Annual audit - under accrued previous year	91	-
Interim review	17,950	15,000
Non-audit services	-	1,620
	<u>80,541</u>	<u>60,620</u>

Non-audit services are provided by both Grant Thornton Limited (Channel Islands) and Grant Thornton Audit Pty Ltd. The non-audit services in 2023 relate to the work performed by Grant Thornton Audit Pty Ltd for the review of the half yearly financial statements.

9. Share based payments

Following appointment in November 2024 as Chair of the Company, Mr George Gourlay became contractually entitled, subject to shareholder approval, to 1 million CDI's at nil cost (valued at year end share price of A\$0.048 (GBP/AUD 2.0) £0.024, thus having an indicative value of £24,000). The award of these will be linked to a series of specific deliverables in relation to sales targets and strategic leadership that will be agreed once shareholder approval is received. As these are yet to be issued, no share based expense is reflected in the accounts. Mr Giles Bourne was also issued, subject to shareholder approval, the equivalent of A\$50,000 CDIs at nil cost (valued at year end share price of A\$0.048 (GBP/AUD 2.0) £0.024, thus equates to 1,041,667 CDIs with an indicative value of £25,000). There are no conditions attached to Mr Bourne's share issue, which is still subject to shareholder approval, as this formed part of the negotiations for taking on the role. As these are yet to be issued, no share-based expense is reflected in the accounts in accordance with FRS 102.

The following options over were issued under the 'SRJ Technologies Employees Equity Incentive Plan' and/or the 'SRJ Technologies Equity Incentive Plan' during the period to the deal team members that was conditional on the successful completion of the ACE acquisition and linked capital raise. Both the acquisition and capital raise were successfully completed. The awards to Directors were approved at the EGM on 13 August 2024. The exercise price for the options is A\$0.115 per option. One option is equivalent to one ordinary share/CDI. The options will lapse on 12 November 2026. If exercised before this date the ordinary shares/CDI's issued will remain in escrow until 12 November 2026.

SRJ Technologies Group Plc

**Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2024**

9. Share based payments (continued)

Key Management Personnel	Fair value per option A\$	Options awarded	Year ended 31 December 2024 £
Alexander Wood	0.013	3,000,000	20,491
Roger Smith	0.013	2,500,000	17,076
Stefan McGreevy	0.013	3,000,000	20,491
David Milner	0.013	1,000,000	6,830
			64,888

A further 250,000 options were awarded to non-Key Management Personnel under same terms. As part of his appointment to the interim Chief Executive Officer position, David Milner also received 1 million options with a nil exercise price, valued at a share price of A\$0.05/£0.025434 (amounting to £25,434), for shares in the Company which will expire on 6 November 2026. There were no vesting conditions for each of these options.

The total expense recognised in the statement of comprehensive income for the year was £92,030 (2023: £nil). The carrying amount at the end of the period in the share based payment reserve from share based payment transactions was £92,030 (2023: £nil).

Disclosure in relation to 2023 Performance and NED rights is as follows:

	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 volume-weighted average price (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 due to the fact that management did not expect those revenue targets to be met and therefore no amounts were recognised in relation to those awards.

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.

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

Vested Performance Rights of 2,786,667 (including 1,646,667 to Alexander Wood) amounting to £786,841 were issued as CDI's in September 2023.

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

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

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

**Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2024**

9. Share based payments (continued)

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

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

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

10. Remuneration of key management personnel and employees

	Year ended 31 December 2024 £	<i>Year ended 31 December 2023 £ Restated</i>
Directors		
Salaries and fees	731,010	701,241
Pension and superannuation costs	17,722	16,066
Health insurance	12,139	8,923
Share based payment awards	90,322	-
	851,193	726,230
	Year ended 31 December 2024 £	<i>Year ended 31 December 2023 £ Restated</i>
Employees and consultants		
Wages and salaries	714,144	521,423
Pension and superannuation costs	50,854	52,277
Health insurance	11,064	15,169
Share based payment awards	1,708	-
	776,062	588,869

Note: 2023 has been restated to include D Milner (£65,892) within directors' remuneration for comparative purposes, being moved from employees and consultants.

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

The average number of directors and employees of the Group during the year was 15 (2023: 11)

The cost of employees delivering consultancy services and engineering/operational support in delivering products is charged to cost of sales in accordance with their hourly rate and time spent in delivering the service contract. In the year, wages and salaries of £113,580 (2023: £48,868) was charged to cost of sales.

11. Acquisition of subsidiary

The Company executed a Share Purchase Agreement to acquire 100% of the issued capital of Air Control Entech Limited ("ACE") on 23 July 2024. ACE is a private company limited by shares incorporated in Scotland. The registered office is Units 12-13, Murcar Commercial Park, Denmore Road, Bridge of Don, Aberdeen, AB23 8JW, United Kingdom. Its principal activity is that of operation, design, manufacture and implementation of advanced robotics and drone technology for inspection solutions. The completion of the acquisition occurred on 20th August 2024. This transaction forms part of the strategy disclosed by the Company to the market of 'adopting digital technologies via organic growth and partnering or potentially acquiring niche players in the market that are driving digital transformation.' With the Energy industry now aggressively pursuing digital transformation, the provision of enabling technologies through the acquisition of ACE, will help drive the digitisation of a clients' asset integrity management and drive growth opportunities for the Company. The combination has generated significant cross-selling opportunities for both entities and created a structure in which ACE can expand globally with its current solutions which management believe will drive revenue growth.

**Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2024**

11. Acquisition of subsidiary (continued)

The transaction was completed for a cash element of £4,500,000 with the balance by the issue of 175,249,279 of CDIs (the traded security of the ordinary shares). Given the recent related capital raise was at a CDI/share price of A\$0.055, the fair value of the CDI's issued to the sellers of ACE was A\$9,638,710 (£4,964,186). A further 558,445 CDIs (equating to £11,115) were issued in December 2024 at a fair value of \$0.04 per CDI, being the share price at the date of issue. This brings the total value of the acquisition to £9,475,302 before taking into account directly attributable acquisition costs of £449,517.

The results for ACE have been consolidated in the Group's Consolidated Statement of Comprehensive Income from 21 August 2024.

Details of the acquisition are as follows:

	Fair value £
Fixed assets, including intangibles	735,827
Cash and cash equivalents	69,620
Trade and other receivables	328,769
Inventories	21,372
Trade and other payables	<u>(638,843)</u>
Net assets acquired	516,745
Goodwill	9,408,074
Acquisition cost, including directly attributable costs	<u><u>9,924,819</u></u>

The results for ACE from the date of acquisition (21 August 2024) are as follows:

	2024 £
Turnover	<u>455,596</u>
Loss for the period	<u>(47,197)</u>
EBITDA	<u><u>9,064</u></u>

12. Intangible fixed assets

	Goodwill £	Patents £	Development expenditure £	Total £
Cost				
At 1 January 2024	-	564,101	786,016	1,350,117
Additions from acquisition	-	-	542,721	542,721
Additions	<u>9,408,074</u>	<u>14,690</u>	<u>60,220</u>	<u>9,482,984</u>
At 31 December 2024	9,408,074	578,791	1,388,957	11,375,822
Amortisation				
At 1 January 2024	-	272,648	407,868	680,516
Charge for the year	<u>342,815</u>	<u>51,249</u>	<u>69,829</u>	<u>463,893</u>
At 31 December 2024	342,815	323,897	477,697	1,144,409
Net book value				
At 31 December 2024	<u><u>9,065,259</u></u>	<u><u>254,894</u></u>	<u><u>911,260</u></u>	<u><u>10,231,413</u></u>
At 31 December 2023	<u>-</u>	<u>291,453</u>	<u>378,148</u>	<u>669,601</u>

**Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2024**

12. Intangible fixed assets (continued)

The patents and development costs relating to SRJ Limited and SRJ Technologies Limited, which first became available for use in 2017 when production and sale of the product commenced, 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 development costs relating to Air Control Entech Limited are amortised on a 20% straight line basis once commercially developed and complete so as to write off the cost or valuation of the assets less their residual values over their estimated useful lives of 5 years. The MAG Drone was brought into use by ACE from June 2023 (i.e. pre acquisition) so the associated development costs of £71,915 (being fair value to the Group at acquisition) are being amortised over the remaining estimated useful life of 3.75 years (so that the asset is fully amortised over its estimated useful life of 5 years overall). The remaining development costs of ACE of £531,026 have not yet been commercialised and therefore have yet to be amortised.

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.

The patents and development costs, residual values, useful lives and amortisation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date. In assessing if there was an indication of impairment, the Directors considered both external and internal factors dictated by FRS 102 alongside other considerations as to the current position of the Company. During the period, indicators of impairment were identified. As a result, the Directors conducted a full impairment test in accordance with FRS 102, considering both external and internal factors. Based on this assessment, no impairment was identified.

Goodwill arising on the acquisition of a business is initially recognised as an asset at cost. After initial recognition, goodwill acquired in a business combination is recognised at cost less accumulated amortisation and accumulated impairment. Goodwill is considered to have a finite useful life of 10 years and is therefore amortised on a 10% straight line basis.

The remaining amortisation period of the goodwill is 9 years.

The goodwill 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.

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Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2024

13. Tangible fixed assets

	Motor vehicles £	Leasehold improvements £	Plant and machinery £	Office equipment £	Computer equipment £	Total £
Cost						
At 1 January 2024	56,399	-	23,326	12,250	30,521	122,496
Additions from acquisitions	19,469	34,458	126,880	3,718	8,580	193,105
Additions	-	-	63,657	-	1,147	64,804
Disposals	(56,399)	-	(5,991)	-	-	(62,390)
At 31 December 2024	<u>19,469</u>	<u>34,458</u>	<u>207,872</u>	<u>15,968</u>	<u>40,248</u>	<u>318,015</u>
Depreciation						
At 1 January 2024	30,362	-	14,582	10,180	29,291	84,415
Charge for the year	11,130	3,378	34,120	1,794	2,338	52,760
Written back on disposals	(34,423)	-	-	-	-	(34,423)
At 31 December 2024	<u>7,069</u>	<u>3,378</u>	<u>48,702</u>	<u>11,974</u>	<u>31,629</u>	<u>102,752</u>
At 31 December 2024	<u>12,400</u>	<u>31,080</u>	<u>159,170</u>	<u>3,994</u>	<u>8,619</u>	<u>215,263</u>
<i>At 31 December 2023</i>	<u>26,037</u>	<u>-</u>	<u>8,744</u>	<u>2,070</u>	<u>1,230</u>	<u>38,081</u>

No indicators of impairment were noted during the period hence no impairment expense was recognised (2023: £nil).

SRJ Technologies Group Plc

Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2024

14. Inventory	31 December 2024 £	31 December 2023 £
BoltEx [®] stock	64,051	59,684
Inventory of parts - at cost	20,215	24,786
	<u>84,266</u>	<u>84,470</u>

Management undertook an assessment of the value of parts alongside a Senior Engineer from SRJ. Obsolete stock of £24,872 has been written off to administration expenses in the year. For remaining stock, such is the mark up achievable on the finished products, the conclusion was made that the NRV was not lower than the cost.

The rental equipment fixed assets (BoltEx[®] stock) initially used by the Group for leasing to third parties changed to primarily being a selling model during 2023. As such, the fixed assets were reclassified to inventory in 2023 at a value equivalent to the net book value at the time of reclassification (£97,431), and subsequently adjusted for stock movements. The net realisable value of such assets on reclassification is considered to be in excess of the existing net book value of the fixed assets reclassified based on selling price achieved.

15. Debtors	31 December 2024 £	31 December 2023 £
Trade debtors	727,851	261,554
Other debtors	53,195	50,465
Prepayments and accrued income	225,390	57,454
	<u>1,006,436</u>	<u>369,473</u>

16. Creditors: Amounts falling due within one year	Note	31 December 2024 £	31 December 2023 £
Hire purchase and finance leases payable	19	32,585	8,160
Trade creditors		464,815	474,109
Deferred income		16,000	101,101
Invoice financing		96,683	-
Loans	18	6,910	-
Accruals and other payables		410,449	209,760
		<u>1,027,442</u>	<u>793,130</u>

17. Loans payable	31 December 2024 £	31 December 2023 £
Directors' loans	30,753	50,000

In December 2023, £50,000 was loaned to the Group by one of the directors. The loan was unsecured, interest free and repayable by 15 January 2024. This was subsequently repaid on 4 January 2024.

In December 2024, £30,753 was owed by the Group to one of the directors of ACE, the subsidiary company. The loan is unsecured and interest free, with no fixed repayment date.

Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2024

18. Creditors: Amounts falling due after one year	Note	31 December 2024 £	31 December 2023 £
Hire purchase and finance lease payable	18	31,225	28,678
Loans payable		151,946	-
		<u>183,171</u>	<u>28,678</u>

The loans payable comprise the following. The Santander bank loan outstanding of £31,450 is supported by the Bounce Back Loan Scheme, with £5,915 due within one year and £25,534 due after one year. The loan is unsecured. The interest rate charged on the loan is fixed at 2.5%pa and the loan is repayable over 60 consecutive monthly instalments commencing in June 2021, with a maturity date of May 2030. The loan outstanding from Net Zero Technology Centre for £120,360 (all due after one year) is unsecured and interest free and has a maturity date of August 2027. The loan outstanding from the Energy Saving Trust of £7,046 (£995 due within one year and £6,051 due outside one year) is unsecured and interest free, and repayable over 96 monthly instalments commencing February 2024.

19. Hire purchase and finance lease obligations	31 December 2024 £	31 December 2023 £
Future minimum lease payments due under hire purchase and finance leases:		
Not later than one year	32,585	8,160
Later than one year and not later than five years	31,225	28,678
Later than five years	-	-
	<u>63,810</u>	<u>36,838</u>

The hire purchase and finance leases are secured over the assets to which they relate.

20. Convertible debt

The Group commenced a fund raise in June 2024 to issue A\$800,000 of convertible loan notes to investors, with funds of A\$662,500 (£342,797) secured by July 2024. Convertible notes for A\$621,250 (£322k) were issued in July 2024 and A\$41,250 (£21k) issued in August 2024. The loan notes were issued for consideration of their face value, being A\$1 per note, and have a maturity date of 12 months after the issue date. Interest is charged at 12% and is charged to the Consolidated Statement of Comprehensive Income for the period. The notes were automatically converted into equity shares on the conversion date, being the date that the Company completed the Alternative Capital Raising, based on the lower of:

- a) the price at which the CDIs are issued under the Alternative Capital Raising; and
- b) A\$0.075.

On 20 August 2024, the loan notes, with accrued interest, were converted into CDIs totalling 12,309,637 at a value of \$677,030 (£350,316), this being based on the price issued under the Alternative Capital Raising of A\$0.055.

On issuing convertible debt, the Company allocates the proceeds between a liability component and an equity component in accordance with the substance of the agreement and FRS 102. The conversion feature for this convertible loan facility is set out above, with the notes automatically converting into equity when a predetermined trigger event occurs (being the Alternative Capital Raising). For the convertible loan facility, the Company has no unconditional ability to avoid settling at the maturity date. Investors retain control and can either convert or request repayment at the maturity date. As such, the amount drawn down is considered to be wholly debt in nature until any conversion occurs. For the conversion right to be classified as an equity instrument, it must meet the "fixed-for-fixed" criterion. This criterion requires that a fixed amount of cash or other financial asset be exchanged for a fixed number of equity instruments. The 'fixed-for-fixed' criterion is not met here because the holders have the option to convert their notes into a variable number of shares based on the lower of two amounts (a fixed price of A\$0.075 or the price at which CDIs are issued under the Alternative Capital Raising). This variability in the number of shares to be issued means that the conversion feature does not satisfy the fixed-for-fixed criterion under FRS 102. As a result, the convertible debt does not contain an equity component and is wholly classified as a financial liability until any conversion occurs. The liability is treated as a basic financial instrument measured at amortised cost, as FRS 102 does not use the term 'embedded derivative' and does not require companies applying Sections 11 and 12 of FRS 102 to separate the host contract from any embedded derivative. Since the notes have automatically converted in the year, they are classified as equity at the reporting date.

Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2024

20. Convertible debt (continued)

On 15 February 2023, the Company signed an agreement for a convertible loan facility with Mercer Street Global Opportunity Fund LLC ("Mercer"). In September 2023, the Company settled all remaining convertible loan notes issued. As part of the convertible loan note facility, the Company issued 10,400,238 Options to Mercer. The exercise price of each Option is A\$0.168 and will equate to one Ordinary share/CDI in the Company. The expiry date is March 2026. Management considered the fair value of the Options with reference to the current Company share price and concluded it would not be appropriate to allocate any expense in relation to the Options in this periods Statement of Comprehensive Income. Management will undertake a similar assessment at the end of each reporting period.

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

21. Issued capital

	31 December 2024 £	31 December 2023 £
Allotted, called up and fully paid		
623,542,578 (2023: 169,664,930) Ordinary shares of £0.000125 (2023: £0.00018181819 each)	77,943	30,848

A resolution was passed at the Company's AGM on 13 August 2024 to increase the authorised share capital from £100,000 divided into 550,000,000 shares of £0.00018181818 each to £100,000 divided into 800,000,000 shares of £0.000125 each.

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

	31 December 2024		
	Shares in issue	Share capital £	Share premium £
Allotted, called up and fully paid			
Brought forward	169,664,930	30,848	18,141,907
Issued to investors, net of transaction costs (i)	453,877,648	47,095	11,889,358
At 31 December 2024	623,542,578	77,943	30,031,265

(i) During the year an additional 453,877,648 shares were issued for total consideration of £12,853,095 (A\$24,954,864). Transaction costs relating to the share issues of £916,643 have been written off against the share premium arising in the issue.

The above includes the conversion of 662,500 convertible loan notes plus accrued interest (12,309,637 shares) valued at £350,316 (£342,798 loan notes plus £7,518 interest).

	31 December 2023		
	Shares in issue	Share capital £	Share premium £
Allotted, called up and fully paid			
At 31 December 2023	169,664,930	30,848	18,141,907

The ASX uses an electronic system called CHES 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 CHES system of holding securities. Accordingly, to enable the securities to be cleared and settled electronically through CHES, 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.

**Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2024**

22. Related party transactions

AVI Partners Limited (AVI) is a related party by virtue of having a common shareholder with a significant shareholding in the Company. A wholly owned subsidiary of AVI leases office space to the Company, the charge in the year was £15,000 (31 December 2023: £23,250), equivalent to £1,250 per month from December 2023.

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 year was £87,751 (2023: £65,092).

Jindabyne Capital Pty Ltd, a related party by virtue of having a significant shareholding in the Company, charged consultancy fees of £189,170 (\$366,670) to the Company during the year (2023: £32,107).

During the year key management personnel (defined as all directors of the Company and Technical Director) of the Group received total compensation of £760,871 (31 December 2023: £726,230) of employment and post-employment benefits and £90,322 awards of share based payments (31 December 2023: £nil). See note 10 for further analysis of directors' remuneration.

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

Key Management Personnel Securities

George Gourlay	1,000,000 Ordinary shares/CDIs
David Milner	3,295,539 Ordinary shares/CDIs
Giles Bourne	371,612 Ordinary shares/CDIs
Alexander Wood	2,050,336 Ordinary shares/CDIs
Roger Smith	2,212,570 Ordinary shares/CDIs
Stefan McGreevy	1,140,000 Ordinary shares/CDIs
Paul Eastwood	760,000 Ordinary shares/CDIs
Robin Pinchbeck	2,906,366 Ordinary shares/CDIs

Further to the Ordinary Shares held directly by Alexander Wood and Stefan McGreevy there are 25,791,164 Ordinary Shares held by AVI Partners Limited, a company in which Alexander Wood holds 18.0% and Stefan McGreevy 5% of the issued shares. AVI Partners has a shareholding of 4.14% of the undiluted shares in issue of the Group.

23. Leases for premises

The lease between SRJ Limited and AVI Partners Limited for the premises "Le Quai House" expired on 18 June 2021. Whilst a new lease has not been signed, monthly rentals of £2,000 continued to be paid until November 2023. Following an internal office move this monthly amount reduced to £1,250 from December 2023.

SRJ Technology Limited, rented offices for £15,500 per annum under a lease that expired on 6 January 2024. New lease terms for a property run by the same property management company were negotiated and signed on 17 February 2025 for the sum of £11,400 per annum for a 6 year lease with a break clause after 2 years. The address of the new offices is Brokers' Office A.2.1, Huntsman Road, Hamble Point Marina, Southampton.

SRJ Tech Australia Pty Ltd rents offices for A\$1,850 per month on a rolling three-month lease.

Air Control Entech Limited leases offices at Murcar House, Denmore Road, Aberdeen at an annual rental of £22,500 per annum until 31 December 2028. The company also leases Units 12 and 13, Murcar Commercial Park, Aberdeen at an annual rental of £23,000 per annum until 30 November 2028.

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Notes to the Consolidated Financial Statements
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24. Analysis of changes in net debt

	At 1 January 2024	Cash flows	Acquisition of subsidiary (net cash outflow)	Other non- cash changes	At 31 December 2024
	£	£	£	£	£
Cash and cash equivalents					
Cash at bank and in hand	128,456	5,414,811	(4,879,898)	(26,383)	636,986
Borrowings					
Finance lease	(36,838)	67,020	(93,992)	-	(63,810)
Other loans	-	6,040	(164,896)	-	(158,856)
Invoice financing	-	(96,683)	-	-	(96,683)
Convertible loan notes	-	(342,797)	-	342,797	-
Borrowings total	(36,838)	(366,420)	(258,888)	342,797	(319,349)
Net debt	91,618	5,048,391	(5,138,786)	316,414	317,637

	At 1 January 2023	Cash flows	Acquisition of subsidiary (net cash outflow)	Other non- cash changes	At 31 December 2023
	£	£	£	£	£
Cash and cash equivalents					
Cash at bank and in hand	559,539	(433,141)	-	2,058	128,456
Borrowings					
Finance lease	(47,591)	10,753	-	-	(36,838)
Convertible loan notes	-	(277,757)	-	277,757	-
Borrowings total	(47,591)	(267,004)	-	277,757	(36,838)
Net debt	511,948	(700,145)	-	279,815	91,618

Net cash (outflow)/inflow on acquisition of subsidiary comprises:

	2024 £	2023 £
Cash element for acquisition	(4,500,000)	-
Acquisition costs	(449,517)	-
Cash acquired on acquisition	69,619	-
	(4,879,898)	-

Non-cash changes relate to:

Cash at bank and in hand - relates to the (loss)/gain on translation of the foreign subsidiary.

Convertible loan notes - relates to the conversion of 662,500 notes (12,309,637 shares) valued at £342,797 (2023: relates to the conversion of 525,000 notes (10,500,000 shares) valued at £242,224 and a realised foreign exchange gain of £35,533).

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

25. 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.

26. 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.