



18 June 2020

Dear Customers,

### **The Tally® in your banking account is physical gold**

We are living in unprecedented times and people are rightly questioning what is behind their money. Indeed, we have received enquiries at TallyMoney Ltd about the gold represented by the Tally® in our customers' banking accounts.

The purpose of this letter is to assure customers that the gold used in the Tally® full-reserve banking platform is always physical gold, held on our customers' behalf. Tally® represents physical gold ownership. It is not some virtual right under a paper gold instrument, such as an ETF or a futures contract. Nor is Tally® a cryptocurrency.

And Tally® customers are not just holding physical gold with instant liquidity in their banking account. Tally® is ethically sourced and securely stored physical gold with accredited partners, held outside of the banking system.

Each unit of Tally represents the customer's gold ownership (1 Tally® = 1 milligram of gold) that is seamlessly connected to the global banking system and used via the customer's individual Tally® banking account and debit card. It operates just like their traditional bank account but Tally® combines the superior store of monetary value that is physical gold, with the superior utility and medium of exchange provided by the fiat currency banking systems and infrastructure.

#### **Sourcing & Storing Physical Gold**

TallyMoney Ltd buys pure refined gold bullion through our London Bullion Market Association (LBMA) accredited global commodities broker(s), and this gold is stored at a high security storage facility in Zurich, Switzerland.

#### **Independent Daily Reconciliation**

Whilst TallyMoney Ltd maintains its own records of customer balances and gold holdings, TallyMoney Ltd's parent entity auditors, PKF Littlejohn LLP ("PKF"), are engaged to receive daily records of closing gold holdings from our banking API provider, Railsbank Technology Ltd and our LBMA-accredited wholesale commodities broker(s), in Tally® and Troy Ounces respectively. This information is received by PKF directly from those parties, independently of TallyMoney Ltd. At the end of each month, PKF performs a reconciliation between the two parties' daily figures to confirm the Tally® in issue equals the physical gold it represents. From July 2019 until PKF's appointment, the independent reconciliation services were carried out by a 'Big 4' accounting firm.

#### **Insurance & Protection**

Under our contracts with the broking and vaulting service providers, the gold held by TallyMoney Ltd on behalf of its customers, is insured to 100% of its value from theft and damage. Separately to this, TallyMoney Ltd has a Security Trust Deed in place with a fully independent UK incorporated security trustee, Woodside Corporate Services Limited (FCA regulated firm, licence No 467652) so that, in the unlikely event that TallyMoney Ltd ceases trading, the Security Trustee shall action the selling of all customer's gold back into fiat currency and return 99% of the value held by the customer, to the customer's non-Tally bank account (1% is used to pay costs relating to the legal structure and administration of activities to see customer funds returned promptly).

We hope this information provides comfort to customers that their Tally® is physical gold and that the banking platform utilises accredited best-in-class partners for the sourcing, storage and reconciliation of gold on the Tally® platform. And we hope everyone is able to stay safe and healthy during these times.

Yours faithfully,

  
Cameron Parry  
CEO & co-Founder

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TALLY LTD is incorporated in Guernsey with Registered No. 53026.

TallyMoney Ltd is incorporated in England and Wales with Registered No. 07089561 – VAT No. 123781127, and Electronic Money Directive Agent (Financial Conduct Authority Reference No. 902059) under FCA-licensed E-Money Institution, PayrNet Limited (Reg. No. 900594)

PKF Littlejohn LLP



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Our ref ADR/ 46476

18 June 2020

**Tally reconciliation services provided to Tally Limited (including its operating subsidiary, the "Company"), by PKF Littlejohn LLP**

The purpose of this letter is to confirm the basis on which we act as advisers of Tally Limited in relation to the services defined below.

**Services provided**

We confirm that we are instructed to provide the following services:

- Produce a monthly report showing daily reconciliations between the closing Tally balances reported by the Company's independent LBMA (London Bullion Vault Association) accredited physical commodities broker ("PCB") and the Company's banking API (Application Programming Interface) provider, Railsbank Technology Limited ("Railsbank");
- Provide an independent check for the Company of whether the combined customer balances and house balance held in Tally aligns to the physical asset holdings in gold.

PKF receive daily emails from Railsbank and the PCB which contain a record of the closing gold holdings of the Company in Tally and Troy Ounces, respectively. These emails are received directly from the two parties independently of the Company. At each month end, PKF perform a reconciliation between the two parties' daily figures provided.

We are currently engaged to provide the services above for a period of 12 consecutive months from May 2020 as part of the Company's ongoing controls.

**Disclaimer**

The report and services provided are for the benefit of Tally Limited only and are prepared on the basis set out in our engagement letter dated 1 June 2020.

We do not verify the reliability or accuracy of any information obtained from the service providers in the course of our work.

Yours faithfully

PKF Littlejohn LLP

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