

TALLY LTD

Half Year Report for the six months ended 31 December 2018

Tally Ltd (“TALLY”, or the “Company”), the money innovator and developer of the 100% reserve banking platform and physical assets currency, Tally®, and holder of gold exploration interests in India and Finland, (name officially changed from Lionsgold Limited on 16 May 2019), announces its unaudited results for the six months ended 31 December 2018.

Highlights for the period:

- New equity capital raised during the period totalling £756,000 through the exercise of warrants;
- Physical gold currency commenced live testing in beta phase
- “Tally®” identity and brand name created for each unit of physical gold currency and as the name of the full reserve banking platform
- Change of registered office of the Company to (PO Box 182) Channel House, Forest Lane, St. Peter Port, Guernsey GY1 4HL. (The head office of the Company remained at Salisbury House, London Wall, London EC2M 5QQ following move in June 2018.)
- The Company’s shares were automatically cancelled from trading on the London Stock Exchange AIM market following suspension from trading for a deemed change of core business in May 2018;
- Cash at bank at the end of the period £174,994;
- Maintained shareholding of 21.92% of leading India gold exploration and mine development company Geomysore Services (India) Private Limited (“Geomysore”);
- Increased shareholding from 30% to 32% of Finnish gold joint venture company, Kalevala Gold Oy (“Kalevala”);

Board changes

On 13 July 2018, David Price stepped down as Non-Executive Chairman and Michael Corcoran was appointed as Non-Executive Director and interim Chairman. On 11 November 2018 Michael Joseph was appointed as Non-Executive Director.

Key financials

The loss after tax for the period was £520,212 (unaudited) compared to £542,630 for the period to 31 December 2017.

As at 31 December 2018, the Group’s cash balances were £174,994 (31 December 2017: £1,160,741).

Cameron Parry, Chief Executive Officer of Tally Ltd, commented:

“During the period the Company’s shares remained off the market as the Company continued to expand its business plan with an increased focus on the development of its standalone monetary system using full reserve banking and physical asset currency. The Company, known throughout the period as Lionsgold, maintained its percentage ownership of its gold exploration interests in India and slightly increased its ownership in its Finnish gold exploration joint venture company.

“The Company is now in a new chapter having moved away from its gold exploration and mining roots and is now a financial technology company focused on innovating money and providing a choice for the mainstream public in their day-to-day banking. We thank all shareholders for their patience as we progress this journey and plan for the Company’s shares to be admitted to trading again.”

TALLY LTD and its controlled entities
Condensed consolidated Statement of Comprehensive Income (unaudited)
for the six months ended 31 December 2018

	Six months ended 31 December 2018	Six months ended 31 December 2017	Year ended 30 June 2018
	(unaudited)	(unaudited)	(audited)
	£	£	£
Revenue	18,252	-	40,802
Salaries and wages and directors remuneration	(114,948)	(83,249)	(249,878)
Share Based Payments	-	(40,000)	(4,000)
Other administrative expenses	(403,662)	(174,242)	(491,114)
Loss from operating activities	(500,358)	(297,491)	(704,190)
Finance income	707	43	43
Finance costs	-	(547)	(3,483)
Net finance income/ (costs)	707	(504)	(3,440)
Share of loss of associates	(33,647)	(81,656)	(116,220)
Fair value gain on financial assets	4,212	-	-
Loss on disposal of associate	-	-	(42,057)
Loss before tax	(529,086)	(379,651)	(865,907)
Income tax	-	-	-
Loss for the period/ year	(529,086)	(379,651)	(865,907)
Other comprehensive loss <i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign exchange translation	8,874	(87,597)	33,635
Foreign exchange loss on disposal of subsidiary	-	(75,382)	-
Total comprehensive loss for the period/ year	(520,212)	(542,630)	(832,272)
Total comprehensive loss attributable to:			
Owners of the parent	(520,212)	(531,129)	(817,728)
Non-controlling interest	-	(11,501)	(14,544)
Basic and diluted loss per share (GBP)	(0.10)	(0.15)	(0.24)

All results are derived from continuing activities.

TALLY LTD and its controlled entities
Condensed consolidated Statement of Financial Position (unaudited)
as at 31 December 2018

	31 December 2018	31 December 2017	30 June 2018
	£	£	£
Non-current assets	(unaudited)	(unaudited)	(audited)
Investment in associates	3,988,572	3,426,122	3,899,218
Intangible assets	587,260	215,844	405,159
Investments	1,270,997	-	1,270,997
Total non-current assets	<u>5,846,829</u>	<u>3,641,966</u>	<u>5,575,374</u>
Current assets			
Financial assets at fair value through profit or loss	130,460	-	60,847
Trade and other receivables	72,618	44,139	214,003
Prepayments and other assets	10,280	3,935	-
Loan receivable	85,000	-	-
Cash and cash equivalents	174,994	1,160,741	195,757
Total current assets	<u>473,352</u>	<u>1,208,815</u>	<u>470,607</u>
Total assets	<u>6,320,181</u>	<u>4,850,781</u>	<u>6,045,981</u>
Current liabilities			
Trade and other payables	187,399	115,510	134,587
Total current liabilities	<u>187,399</u>	<u>115,510</u>	<u>134,587</u>
Total liabilities	<u>187,399</u>	<u>115,510</u>	<u>134,587</u>
Total net assets	<u>6,132,782</u>	<u>4,735,271</u>	<u>5,911,394</u>
Equity			
Share capital	-	-	-
Share premium	29,357,151	25,773,402	28,375,551
Reserves	65,263	(92,496)	296,389
Accumulated losses	(23,289,632)	(21,046,964)	(22,760,546)
Non controlling interest	-	101,329	-
Total equity	<u>6,132,782</u>	<u>4,735,271</u>	<u>5,911,394</u>

These financial statements were approved by the Board of Directors on 3 July 2019 and were signed on its behalf by:

Cameron Parry, Director

TALLY LTD and its controlled entities
Condensed consolidated Statement of Changes in Equity (Unaudited)
for the six months ended 31 December 2018

	Share capital	Share premium	Share based payment reserve	Foreign exchange translation reserve	Accumulated losses	Non-controlling interest	Total equity
	£	£	£	£	£	£	£
Balance at 1 July 2017	-	24,588,942	61,914	(14,171)	(20,678,814)	-	3,957,871
Loss for the period	-	-	-	-	(368,150)	(11,501)	(379,651)
Other comprehensive loss - foreign exchange translation variances	-	-	-	(87,597)	-	-	(87,597)
Foreign exchange loss on disposal of subsidiary	-	-	-	(75,382)	-	-	(75,382)
Total comprehensive loss for the period	-	-	-	(162,979)	(368,150)	(11,501)	(542,630)
Issue of ordinary shares	-	1,171,000	-	-	-	-	1,171,000
Cost of issue	-	(3,800)	-	-	-	-	(3,800)
Issue of warrants	-	(2,850)	42,850	-	-	-	40,000
Exercise of warrants	-	7,770	(7,770)	-	-	-	-
Unwinding of fair value of unexercised warrants	-	12,340	(12,340)	-	-	-	-
Acquisition of subsidiary	-	-	-	-	-	112,830	112,829
Total contributions by and distributions to owners	-	1,184,460	22,740	-	-	112,830	1,320,029
Balance at 31 December 2017	-	25,773,402	84,654	(177,150)	(21,046,964)	101,329	4,735,271

TALLY LTD and its controlled entities
Condensed consolidated Statement of Changes in Equity (Unaudited)
for the six months ended 31 December 2018

	Share capital	Share premium	Share based payment reserve	Foreign exchange translation reserve	Shares to be issued to reserve	Accumulated losses	Total equity
	£	£	£	£		£	£
Balance at 1 July 2018	-	28,375,551	36,925	19,464	240,000	(22,760,546)	5,911,394
Loss for the period	-	-	-	-	-	(529,086)	(529,086)
Other comprehensive loss - foreign exchange translation	-	-	-	8,874	-	-	8,874
Total comprehensive loss for the period	-	-	-	8,874	-	(529,086)	(520,212)
Issue of ordinary shares	-	-	-	-	-	-	-
Cost of issue	-	(14,400)	-	-	-	-	(14,400)
Exercise of warrants	-	996,000	-	-	(240,000)	-	756,000
Total contributions by and distributions to owners	-	981,600	-	-	(240,000)	-	741,600
Balance at 31 December 2018	-	29,357,151	36,925	28,338	-	(23,289,632)	6,132,782

TALLY LTD and its controlled entities
Condensed consolidated Statement of Cash Flows (Unaudited)
For the six months ended 31 December 2018

	Six months ended 31 December 2018 £ (unaudited)	Six months ended 31 December 2017 £ (unaudited)	Year ended 30 June 2018 £ (audited)
Cash flows from operating activities			
Loss for the period	(529,086)	(379,651)	(865,907)
<i>Adjustments for:</i>			
Share of loss of associate	33,647	81,656	116,220
Loss on disposal of associate	-	-	42,057
Amortisation of goodwill	13,249	-	-
Share-based payment	-	40,000	44,000
Fair value (gain)/loss on financial assets	(4,212)	-	653
Net financing (income)/charge	(707)	(504)	3,440
Foreign exchange variances	8,874	247	-
<i>Operating loss before changes in working capital and provisions</i>	(478,235)	(258,252)	(659,537)
Change in trade and other receivables	141,385	(12,073)	7,661
Change in other current assets	(10,280)	(3,104)	-
Change in trade and other payables	52,812	37,886	28,527
Net Cash used in operating activities	(294,318)	(235,543)	(623,349)
Cash flows from investing activities			
Interest received/(paid)	707	43	(3,440)
Funds movement in term deposit account	-	71,435	71,435
Acquisition of investments	-	(135,768)	(1,270,997)
Acquisition of subsidiary, net of cash acquired	-	(261,583)	(173,216)
Payments to investments in associates	(123,002)	-	(643,429)
Acquisition of intangible assets	(195,350)	-	(226,440)
Acquisition of financed assets at fair value	(65,400)	-	(61,500)
Net cash used in investing activities	(383,045)	(325,873)	(2,307,587)
Cash flows from financing activities			
Proceeds from issues of shares	756,000	1,230,999	2,636,800
Cost of issue	(14,400)	(3,800)	(3,800)
Loans advanced	(120,000)	-	-
Proceeds from loans advanced	35,000	-	-
Net cash from financing activities	656,600	1,227,199	2,633,000
Net decrease in cash and cash equivalents	(20,763)	665,783	(297,936)
Foreign exchange gain/(loss) on cash balances	-	1,265	-
Cash and cash equivalents at 1 July	195,757	493,693	493,693
Cash and cash equivalents at 30 June <i>(Excludes term deposits of nil)</i>	174,994	1,160,741	195,757

TALLY LTD and its controlled entities
Notes to the condensed consolidated interim financial statements (Unaudited)
For the six months ended 31 December 2018

1. Basis of preparation and changes to the Group's accounting policies

Basis of Preparation:

These unaudited condensed consolidated half yearly financial statements have been prepared in accordance with the AIM Rules for Companies. As permitted, the Group has chosen not to adopt IAS 34 "Interim Financial Statements" in preparing this interim financial information. The unaudited condensed consolidated half yearly financial statements should be read in conjunction with the annual financial statements for the year ended 30 June 2018, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

The unaudited condensed consolidated half yearly financial statements do not constitute statutory financial statements within the meaning of the Guernsey (Companies) Law, 2008, have been prepared on a going concern basis in accordance with the recognition and measurement criteria of IFRSs. Statutory financial statements for the year ended 30 June 2018 were approved by the Board of Directors on 10 December 2018 and delivered to the Registrar of Companies. The report of the auditor on those financial statements was unqualified.

The same accounting policies, presentation and methods of computation are followed in these unaudited condensed consolidated half yearly financial statements as were applied in the preparation of the Group's annual audited financial statements for the year ended 30 June 2018.

The preparation of unaudited condensed consolidated half yearly financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the end of the reporting period. Significant items subject to such estimates are set out in the Group's Annual Report and Financial Statements for the year ended 30 June 2018. The nature and amounts of such estimates have not changed significantly during the interim period.

These interim condensed consolidated financial statements were approved by the Board of Directors on the 3rd July 2019 and will be available from the Company's website, <https://www.tallymoney.com/investors/financial-reports>.

New standards, interpretations and amendments adopted by the Group:

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 30 June 2018.

TALLY LTD and its controlled entities
Notes to the condensed consolidated interim financial statements (Unaudited)
For the six months ended 31 December 2018

2. Basis of preparation and changes to the Group's accounting policies

New standards, interpretations and amendments adopted by the Group (continued)

Several other new standards and amendments apply for the first time. However, they do not impact the annual consolidated financial statements of the Group or the interim condensed consolidated financial statements of the Group.

The following accounting standards and amendments have been issued but are not yet effective for the financial year beginning 1 July 2018 and not early adopted:

Standard		Effective date
IAS 12 (Amendments)	Income Tax Consequences of Dividends	1 January 2019
IAS 23	Borrowing Costs Eligible for Capitalisation	1 January 2019
IAS 28	Investment in Associates and Joint Ventures - Fair Value Measurement Clarification & Long Term Interests	1 January 2019
IFRS 3 (Amendments)	Remeasurement of previously held interest for Business Combinations	1 January 2019
IFRS 9 (Amendments)	Financial Instruments-Prepayment Features and Negative Compensation	1 January 2019
IFRS 16	Leases	1 January 2019
IAS 19 (Amendments)	Plan amendment, Curtailment and Settlement	1 January 2019
IFRIC 23	Uncertainty over Income Tax Treatments	1 January 2019
N/A	Amendments to References to the Conceptual Framework in IFRS Standards	1 January 2020