Tally Ltd

Annual Report and Financial Statements

For the Financial Year Ended

30 June 2020

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Directors, Company Secretary and Advisors

Directors:

Cameron Parry (Chief Executive Officer)
Michael Joseph (Non-Executive Director)
Alan Davies (Non-Executive director – appointed 26 February 2021)
Hanuma Prasad (Non-Executive Director – resigned 30 September 2019)
Michael Corcoran (Non-Executive Director and Interim Chairman - resigned 30 December 2019)
Ralph Hazell (Director - appointed 30 December 2019, resigned 26 February 2021)

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Independent Auditor
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Statutory Auditor
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United Kingdom

Company's website:
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Chief Executive Officer's Report

I am pleased to provide the following report on the financial year 1 July 2019 to 30 June 2020 for Tally Ltd ("Tally" or "Company"). This was a pivotal year in the development of Tally's financial technology product and full reserve banking platform, business and corporate strategy.

Tally released its proof-of-concept smartphone banking app in the UK just prior to the start of the financial year (10 June 2019, at which time 100 tally® = £3.33). During the reporting period, the banking app was redesigned and the tally® app 2.0 was released in the UK on 27 January 2020 (at which time t100 = £3.89). Following a brief February promotion that saw customer numbers jump from approximately 1,500 accounts, to over 5,000 within two days and the tally® app achieve a top 10 ranking of finance apps, between Monzo® and Revolut®, Tally restructured its technology development capabilities and redesigned and built the second generation tally® architecture to be a commercially fit-for-scale banking platform. Tally's 2G platform went live at the end of the financial year ending 30 June 2020 (at which date t100 = £4.63).

tally® is a new form of money, a category creator, and potential disruptor to the banking and payments space. tally® is physical asset-based money, protected from the fragility and inflation of fractional reserve banking. It is not government-issued (fiat) currency and it is not a cryptocurrency.

The tally® product design, UI (user interface), business model and technology architecture are unique in banking, foreign currency exchange and retail gold investment. Tally is the first financial institution in the world to issue individual bank accounts (with unique account numbers and IBANs) denominated in a currency not issued by a central government.

Tally has delivered its innovative banking proposition in its inaugural jurisdiction as a commercially scalable product and the Company can now focus on growing traction with customers and evidencing product-market fit concurrently with ongoing technology and product development.

In addition to its core business as a digital NBFI (Non-Bank Financial Institution) and global currency provider, Tally owns minority stakes in three investment assets: shares in BaaS (Banking As A Service) fintech company Railsbank Technology Ltd, equity in India's leading private gold exploration company, Geomysore Services India Pvt Ltd, and a share of Finland gold exploration joint venture company, Kalevala Gold Oy. Tally is following a strategy to monetise all three investments over the short to medium term given the appropriate opportunity and apply the funds to core business growth.

Board changes during the period

In line with the Company's core focus on the development of its physical asset-based monetary system and digital banking offering, several board changes occurred in late 2019.

On 30 September 2019, Dr Hanuma Prasad stepped down from the board as Non-Executive Director. On 30 December 2019, Mr Michael Corcoran stepped down as Non-Executive Director and Mr Ralph Hazell (Head of Treasury) was appointed as Director.

Post the balance sheet date, on 26 February 2021, Mr Ralph Hazell stepped down as Director and Mr Alan Davies was appointed Non-Executive Director.

Key financials

The profit after tax for the year was £1,800,003 compared to a loss of £408,593 for the year ending 30 June 2019.

As at 30 June 2020, the Group's cash balances (£55,936) and own gold holdings (£60,587) totalled £116,523 (2019: £126,874).

The Company started the financial year with 588,641,114 shares in issue. During the financial year, the Company raised gross proceeds of £655,000 at 1.5p per share increasing the total shares on issue to 632,307,781 and representing a company valuation of £9.5 million. During the reporting period, the Company completed the part sale of an investment being £504,924 of its Railsbank shareholding.

Post the balance sheet date Tally Ltd raised £311,300 at 2p per share increasing the total shares on issue to 648,122,781 at the date of this report, representing a company valuation of £13m. On 30 November 2020, the Company also completed the sale of an additional 41,538 of its Railsbank shares for the consideration of £1,895,069 after costs representing a total cash return of just under four times the original cash investment. The Company still holds 57,244 of its original holding of 130,800 shares at a current market value of £2,651,388.

The Company is continuously monitoring the rate of cash usage to ensure a balance between investment in technology and product development, talent and marketing, and having sufficient working capital to achieve business and corporate objectives.

Investments

Extract from the Tally Ltd balance sheet as at 30 June

	2020	**2019**
Railsbank Limited	4,575,314	2,062,715
Geomysore Services India Pvt Ltd	3,327,634	3,367,103
Kalevala Gold Oy (shown as held for sale)	563,334	588,227
	8,466,282	**6,018,045**

Outlook

We believe people should be able to earn and deposit money in a bank account that holds its value and remains in their control. This is fundamental to individual financial wellbeing and promotes savings and productivity in society.

With the ongoing health and societal implications of the coronavirus pandemic that people have been dealing with throughout 2020 and into 2021, and the coming economic and financial system effects of interest rates near zero (and in some countries negative) coupled with record quantitative easing (QE) inflating the fiat money supply, the need for consumers to have a choice in the quality of money they hold in their bank account for saving and everyday banking, is becoming increasingly urgent and front of mind.

Tally Ltd continues to be funded to date primarily through investment capital. Tally also has non-core non-current assets that it intends to monetise in the short to medium term. With the approximately £500,000 sale of part of Tally's Railsbank shareholding during the financial year and another nearly £2,000,000 sold subsequent to year end, as at the date of this report Tally has received in cash nearly double its original £1.27m investment (made in February 2018), and it still has nearly half of its original shareholding valued at £2.6m. Tally also holds significant gold exploration assets that it intends to divest as and when the right opportunity presents, to apply those funds to customer growth, growing fixed term depositors in its market-leading fixed rate savings account, progress international partnerships, expanding operations and ongoing product and platform development.

Tally Ltd has been strengthening its organisational structure and growing its capabilities. As part of its business development and corporate strategy, the Board is intended to be expanded along with adding key members to the operational team. As part of its mission of democratisation of money, Tally aims to give the public access to owning equity in the Company by conducting firstly a crowdfunding campaign and at the appropriate time, an IPO (Initial Public Offering) to raise further funds and see the Company's shares listed and tradable on a recognised stock exchange.

On behalf of the Board, I would like to thank shareholders for their patience and support as we have progressed from financial technology concept through to a start-up ready to scale. Tally is a money innovator and NBFI, delivering resilient asset-based money and full-reserve banking to protect the earnings and savings of tally® customers, whilst providing them the convenience of everyday banking and spending, at home and abroad. I'd also like to thank all of our team at Tally whose efforts and commitment to our shared mission have helped make tally® a reality.

Cameron Parry
Chief Executive Officer
4 March 2021

Board of Directors

Cameron John Parry (aged 46) (Chief Executive Officer)

Cameron Parry is the founder of the tally® physical asset-based monetary system and full-reserve banking platform. He is a serial innovator and chief executive of quoted public companies in both the fintech and mining sectors and he created the vertically integrated gold company Lionsgold (LSE:LION), that became Tally Ltd.

Mr Parry was the founder and inaugural CEO of natural resources investing company Metal Tiger PLC (LSE: MTR) and co-founder and inaugural Executive Chairman of Coinsilium Group Ltd (NEX: COIN) – which he led to become the world's first blockchain industry company to list on a recognised investment exchange (Dec 2015). He is also Joint-CEO and a major shareholder of 34-year-old London Stockbroking firm, First Equity Limited. First Equity is regulated by the Financial Conduct Authority ("FCA" Licence No. 124394) and Mr Parry is an FCA-approved person for relevant control functions (FCA reference number CJP01234).

Michael Paul Joseph (aged 49) (Non-Executive Director)

Michael Joseph is a highly successful entrepreneur and the Managing Director of Right Choice Insurance Brokers Limited ("RCIB"), a company he founded. Since commencing trading in 2008, RCIB has grown year on year and now employs circa 400 people and has over 300,000 customers. In its full year financials ended 31 December 2019, RCIB reported turnover of approximately £32m and earnings before tax of £9 million.

RCIB's business is underpinned by its own purpose-built data technology platform and the competitive advantage it delivers. In June 2018, Lloyds Bank private equity division ("LDC") invested £28m at a valuation well in excess of £100m. RCIB is regulated by the Financial Conduct Authority ("FCA" reference number 475620) and Mr Joseph is an FCA-approved person for relevant control functions (FCA reference number 01051).

Alan John Bruce Davies (aged 50) (Non-Executive Director)

Alan Davies is a highly respected global executive and CEO of copper mining and natural resources company Moxico Resources PLC and Non-Executive Director of ASX-listed company, ioneer Limited. He is the former Chief Executive of Energy & Minerals at FTSE-100 company, Rio Tinto PLC ("Rio Tinto"), and has more than twenty years' experience in operational and strategic development in the global mining industry, including over ten years of direct project responsibility in India for Rio Tinto.

Mr Davies is a former Non-Executive Director of FTSE-100 company Rolls Royce Holdings PLC and he holds a Bachelor of Business, Bachelor of Laws, a Master of Laws and is a Fellow of the Chartered Accountants in Australia and New Zealand.

Directors' Report

The Directors present their report together with the consolidated financial statements of the Group comprising Tally Ltd (the Company) and its subsidiaries for the year ended 30 June 2020 and the independent auditor's report thereon.

Performance review

The Group made a total comprehensive profit of £1,794,491 during the year ended 30 June 2020 (2019: total comprehensive loss of £399,040). The profit arises from the fair value gain on the Group's investment in Railsbank.

Principal activities and future developments

The Group's principal activity is the provision of a full reserve banking platform and independent monetary system with an asset-based challenger currency (tally®). The platform instantly and seamlessly operates with government-issued fractional-reserve fiat currency. tally® is designed for distribution as a B2B2C product as well as offering its own retail banking account operated via a mobile phone banking app and contactless Mastercard® debit card.

Subsequent events

In the second half 2020, the Company raised £311,300 through the placing of 15,565,000 new ordinary shares at 2p per share to high-net-worth investors and to staff. Additionally, 16,865,000 warrants for new ordinary shares were issued, each exercisable at 200% of the Company's Initial Public Offering (IPO) price with a term of three years from the IPO. 200,000 shares were issued to consultants who had been engaged earlier in the calendar year, indicative at 1.5p, along with 3,800,000 warrants exercisable at 1.5p with an expiry of 31 December 2022. 50,000 shares were issued to an advisor, indicative at 2p, along with 1,450,000 warrants exercisable at 2p with an expiry of 31 December 2022. Following the placing and shares taken up by consultants and employees, the total number of shares in issue increased to 648,122,781.

In November 2020 the Company completed the sale of part of its shareholding in Railsbank Technology Ltd for a consideration of £1,895,069 after costs.

On 30 September 2019, Dr Hanuma Prasad resigned as Non-Executive Director of the Company. On 30 December 2019, Mr Michael Corcoran stepped down as a Non-Executive Director of the Company and Mr Ralph Hazell was appointed as a Director. On 26 February 2021, Mr Ralph Hazell stepped down as Director and Mr Alan Davies was appointed as a Non-Executive Director.

No further subsequent events took place which require disclosure in these consolidated financial statements.

Directors' Report (Cont'd)

Principal risks and uncertainties

The Group is exposed to a variety of financial risks including foreign exchange risk, market risk, liquidity risk, tax risk and credit risk. These risks are discussed in detail in Note 2.

Financial instruments and associated risks

The Board of Directors is committed to effective risk management and is responsible for ensuring that the Group has an appropriate framework in place to identify and effectively manage business risks and to monitor business performance and the Group's financial position. The Board is also responsible for overseeing compliance with regulatory, prudential, legal and ethical standards. These risks are discussed in detail in Note 15.

Accounting policies

The accounting policies of the Group as set out on pages 17 to 26 have been applied consistently during the year.

Dividends

No dividends have been paid and the Directors do not recommend the declaration of a dividend for the year ended 30 June 2020 (2019: nil).

Directors' remuneration and interests

2020	**Remuneration**			**Interests**	
Director	**Cash-based payments**	**Share-based payments**	**Totals**	**Shares**	**Options**
	£	£	£	No.	No.
Cameron Parry* (Chief Executive Officer)	131,000	-	131,000	33,795,988	10,000,000
Ralph Hazell	66,667	-	66,667	30,941,455	-
Hanuma Prasad	6,877	-	6,877	-	-
Michael Joseph**	-	-	-	53,525,000	-
Michael Corcoran***	-	-	-	454,546	-
	204,544	-	204,544	118,716,989	10,000,000

* Cameron Parry invested cash of £50,000 during the financial year for 3,333,333 new ordinary shares and 3,333,333 IPO warrants (2019: cash invested £90,000).
** Michael Joseph invested cash of £75,000 during the financial year for 5,000,000 new ordinary shares and 5,000,000 IPO warrants.
** Michael Joseph is to be paid £35,000 in shares for the 14-month period to Dec 2019 that he acted as NED, contingent upon, and only in the event of, the Company relisting on a recognised investment exchange, calculated at the IPO price per share.
***Michael Corcoran is to be paid £45,000 in shares for the 18-month period to Dec 2019 that he acted as NED, contingent upon, and only in the event of, the Company relisting on a recognised investment exchange, calculated at the IPO price per share.

Directors' Report (Cont'd)

2019	Remuneration			Interests	
Director	Cash-based payments	Share-based payments	Totals	Shares	Options
	£	£	£	No.	No.
Cameron Parry* (Chief Executive Officer)	180,000	-	180,000	30,462,655	10,000,000
Ralph Hazell	80,000	-	80,000	30,941,455	-
Hanuma Prasad	23,888	-	23,888	-	-
Michael Corcoran=	-	-	-	454,546	-
Michael Joseph#	-	-	-	48,525,000	-
David Price	-	-	-	500,000	-
	283,888	-	283,888	110,883,656	10,000,000

* Cameron Parry invested cash of £90,000 during the financial year for new ordinary shares, including the exercise of 5 million warrants on 29 June 2018 (2018: cash invested £90,412).

No new options were issued during the year (2019: nil). Hanuma Prasad's 1,800,000 options and former Director Luke Cairns remaining 2,000,000 options expired without exercise on 31 December 2019. In 2019, the Board resolved to extend the expiry date of Cameron Parry's existing 10,000,000 options, exercisable at 2.2p each, to 31 December 2022 subject to only being capable of exercise from the date the Company's shares recommence trading on a recognised investment exchange. No options were exercised during the year (2020: nil).

The above remuneration relates to Tally Ltd Directors only. The Key Management Personnel remuneration disclosed in Note 18 to the financial statements has been calculated on a consolidated basis and includes payments to other Key Management Personnel. Hanuma Prasad, non-executive director of the Company, received £1,440 in professional and consultancy fees from Geomysore during the year to 30 June 2020 (2019: £20,475).

Results for the year and financial position as at 30 June 2020

The Consolidated Statement of Comprehensive Income and the Consolidated Statement of Financial Position are set out on pages 11 and 12 of the financial statements.

Accounting records

The Directors believe that they have complied with the requirements of Section 244 of the Companies (Guernsey) Law 2008, as amended with regards to the financial statements by employing appropriate expertise and providing adequate resources to the financial function within the Group.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Companies (Guernsey) Law 2008, as amended require the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the EU and applicable law.

The financial statements are required by law to give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for the year.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

Directors' Report (Cont'd)

The Directors are responsible for keeping proper accounting records which 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 (Guernsey) Law 2008, as amended and the AIM rules. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Directors' confirmation

The Directors confirm that they have complied with the requirements in preparation of the financial statements as at the date of approval of this report. So far as the Directors who held office at the date of approval of this Directors' Report are aware, there is no relevant audit information of which the Group's auditor is unaware, having taken all the steps the Directors ought to have taken to make themselves aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

Going concern

These financial statements have been prepared on the basis of accounting principles applicable to a going concern. The Directors consider that the Group will have access to adequate resources, as set out below, to meet operational requirements for at least 12 months from the date of approval of these financial statements as well as the Group's remaining commitments to investments. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

The Group's source of operating cash inflows for the financial year is transaction fees earnt through the legacy business precious metals online trading (the Real Asset Company), fees for storing precious metals, interest income and Coronavirus grant income of £3,628. The Group has incurred net operating cash outflows for the year ended 30 June 2020 of £472,319 (2019: outflow of £629,336). At 30 June 2020, the Group had cash and cash equivalents of £55,936 (2019: £99,230) and net current liabilities (current assets, including cash, less current liabilities) of £236,946 (2019: net current liabilities of £283,249).

Tally Ltd has historically raised equity capital periodically to fund operations and the Board intends to continue to raise further funds through the issue of new ordinary shares and/or selling part or all of the balance of its Railsbank shareholding. The Company is also investigating opportunities for the monetisation of its other non-core non-current assets, being equity interests in gold exploration companies in India and Finland. The potential impact of the effects of the Covid-19 coronavirus pandemic on future capital injections or asset sales is unknown and discussed further in note 1.3.

On behalf of the Board

Cameron Parry - Director
4 March 2021

Tally Ltd and its controlled entities
Consolidated Statement of Comprehensive Income
for the year ended 30 June 2020

	Note	Group 2020 £	Group 2019 £
Continuing operations			
Revenue		20,431	36,420
Administrative expenses		(1,242,652)	(1,173,780)
Loss from operating activities		(1,222,221)	(1,137,360)
Finance income		-	1,445
Finance costs	4	(57,203)	(5,645)
Net financing costs		(57,203)	(4,200)
Share of loss of associate	8	(64,362)	(66,889)
Gains on investments at fair value through profit or loss	8	3,017,523	791,718
Gains on financial assets at fair value through profit or loss	9	10,115	8,137
Profit/(loss) before tax		1,683,852	(408,593)
Income tax	5	116,151	-
Profit/(loss) for the year		1,800,003	(408,593)
Other comprehensive loss			
Items that may be reclassified subsequently to profit or loss			
Foreign exchange translation		(5,512)	9,553
Total comprehensive profit/(loss) for the year		1,794,491	(399,040)
Basic earnings per share (p)	14	0.29	(0.07)
Diluted earnings per share (p)	14	0.28	-

The notes on pages 17 to 46 are an integral part of the consolidated financial statements.

Tally Ltd and its controlled entities
Consolidated Statement of Financial Position
as at 30 June 2020

	Note	Group 2020 £	Group 2019 £
Non-current assets			
Intangible assets	6	956,859	741,215
Tangible assets	7	11,186	12,943
Right of use asset	16	98,812	-
Investment in associates	8	3,327,634	3,955,330
Investments at fair value through profit or loss	8	4,575,314	2,062,715
Total non-current assets		8,969,805	6,772,203
Current assets			
Assets held for sale	8	563,334	-
Financial assets at fair value through profit or loss	9	60,587	27,644
Trade and other receivables	10	72,816	78,054
Cash and cash equivalents		55,936	99,230
Total current assets		752,673	204,928
Total assets		9,722,478	6,977,131
Current liabilities			
Trade and other payables	11	951,113	488,177
Lease liabilities	16	38,506	-
Total current liabilities		989,619	488,177
Non-current liabilities			
Lease liabilities	16	61,214	-
Total non-current liabilities		61,214	-
Total net assets		**8,671,645**	**6,488,954**
Equity			
Share capital	13	**-**	**-**
Share premium	13	30,017,276	29,394,063
Reserves	13	23,505	264,030
Accumulated losses		(21,369,136)	(23,169,139)
Total equity		**8,671,645**	**6,488,954**

These financial statements were approved by the Board of Directors on the 04 March 2021 and were signed on its behalf by:

Cameron Parry
Director

The notes on pages 17 to 46 are an integral part of the consolidated financial statements.

Tally Ltd and its controlled entities
Consolidated Statement of Changes in Equity
for year ended 30 June 2020

	Share capital	Share premium	Share based payment reserve	Foreign exchange translation reserve	Shares to be issued reserve	Accumulated losses	Total equity
	£	£	£	£	£	£	£
Balance at 30 June 2019	**-**	**29,394,063**	**13**	**29,017**	**235,000**	**(23,169,139)**	**6,488,954**
Profit for the year	-	-	-	-	-	1,800,003	1,800,003
Other comprehensive loss - foreign exchange translation	-	-	-	(5,512)	-	-	(5,512)
Total comprehensive income for the year	-	-	-	(5,512)	-	1,800,003	1,794,491
Issue of shares	-	420,000	-	-	-	-	420,000
Cost of issue	-	(31,800)	-	-	-	-	(31,800)
Issue of shares paid in prior periods	-	235,000	-	-	(235,000)	-	-
Exercise/expiration of warrants	-	13	(13)	-	-	-	-
Total contributions by and distributions to owners	-	623,213	(13)	-	(235,000)	-	388,200
Balance at 30 June 2020	**-**	**30,017,276**	**-**	**23,505**	**-**	**(21,369,136)**	**8,671,645**

The notes on pages 17 to 46 are an integral part of the consolidated financial statements.

Tally Ltd and its controlled entities
Consolidated Statement of Changes in Equity
for year ended 30 June 2019

	Share capital	Share premium	Share based payment reserve	Foreign exchange translation reserve	Shares to be issued reserve	Accumulated losses	Total equity
	£	£	£	£	£	£	£
Balance at 30 June 2018	**-**	**28,375,551**	**36,925**	**19,464**	**240,000**	**(22,760,546)**	**5,911,394**
Loss for the year	-	-	-	-	-	(408,593)	(408,593)
Other comprehensive loss - foreign exchange translation	-	-	-	9,553	-	-	9,553
Total comprehensive loss for the year	-	-	-	9,553	-	(408,593)	(399,040)
Issue of shares	-	756,000	-	-	235,000	-	991,000
Cost of issue	-	(14,400)	-	-	-	-	(14,400)
Issue of shares paid in prior periods	-	240,000	-	-	(240,000)	-	-
Exercise/expiration of warrants	-	36,912	(36,912)	-	-	-	-
Total contributions by and distributions to owners	-	1,018,512	(36,912)	-	(5,000)	-	976,600
Balance at 30 June 2019	**-**	**29,394,063**	**13**	**29,017**	**235,000**	**(23,169,139)**	**6,488,954**

The notes on pages 17 to 46 are an integral part of the consolidated financial statements.

Tally Ltd and its controlled entities
Consolidated Statement of Cash Flows
For the year ended 30 June 2020

	Note	2020	2019
		£	£
Cash flows from operating activities			
Profit/(loss) for the year		1,800,003	(408,593)
Adjustments for:			
Depreciation		22,567	534
Amortisation		148,409	260
Share of loss of associate		64,362	66,889
Fair value movement on investments and financial assets	8,9	(3,027,525)	(791,718)
Net financing charge		57,203	4,200
Foreign exchange variances		(5,512)	9,553
Operating loss before changes in working capital and provisions		(940,493)	(1,118,875)
Change in trade and other receivables		5,238	135,949
Change in trade and other payables		462,936	353,590
Net cash used in operating activities		(472,319)	(629,336)
Cash flows from investing activities			
Net financing charge		(57,203)	(4,200)
Payments to investments in associates	8	-	(123,001)
Acquisition of intangible assets	6	(364,053)	(336,316)
Acquisition of tangible assets	7	(1,047)	(13,477)
Acquisition of financial assets at fair value	9	(22,941)	-
Disposal of investments at fair value	9	504,924	33,203
Net cash from/(used in) investing activities		59,680	(443,791)
Cash flows from financing activities			
Proceeds from the issue of shares		420,000	991,000
Cost of issue		(31,800)	(14,400)
Repayment of lease liabilities		(18,855)	-
Net cash from financing activities		369,345	976,600
Net decrease in cash and cash equivalents		(43,294)	(96,527)
Cash and cash equivalents at 1 July		99,230	195,757
Cash and cash equivalents at 30 June		55,936	99,230

The notes on pages 17 to 46 are an integral part of the consolidated financial statements

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1. Accounting policies

1.1 Reporting entity

The Group financial statements consolidate those of Tally Ltd and its controlled entities (together referred to as the “Group”).

As at 30 June 2020, the wholly owned subsidiaries of the Company were:

- TallyMoney Ltd
- The Real Asset Co. Limited
- Lionsgold India Holdings Ltd (Mauritius); and
- Kolar Gold Resources (India) Private Limited

The Group financial statements have been prepared and approved by the Directors in accordance with International Financial Reporting Standards as adopted by the EU (“Adopted IFRSs”). The financial statements comply with the Companies (Guernsey) Law, 2008 as amended and give a true and fair view of the state of affairs of the Group.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these consolidated financial statements.

1.2 Measurement convention

The financial statements are prepared on the historical cost basis, except for the following items in the statement of financial position and statement of comprehensive income:

- Share-based payments are measured at fair value
- Financial assets and investments at fair value through profit or loss
- Investment in associates measured using the equity accounting method (see note 1.5).

The financial statements are presented in Great British Pounds (“GBP” or “£”).

1.3 Going concern

These financial statements have been prepared on the basis of accounting principles applicable to a going concern. The Directors consider that the Group will have access to adequate resources, as set out below, to meet operational requirements for at least 12 months from the date of approval of these financial statements as well as the Group’s remaining commitments to investments. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

The Group's source of operating cash inflows for the financial year is transaction fees earnt through the legacy business precious metals online trading (the Real Asset Company), fees for storing precious metals, interest income and Coronavirus grant income of £3,628. The Group has incurred net operating cash outflows for the year ended 30 June 2020 of £472,319 (2019: outflow of £629,336). At 30 June 2020, the Group had cash and cash equivalents of £55,936 (2019: £99,230) and net current liabilities (current assets, including cash, less current liabilities) of £236,946 (2019: net current liabilities of £283,249).

The Group continues to take steps to manage operational expenditure effectively and the capital required for budgeted activities and working capital for at least twelve months from the date of the approval of the financial statements. The Group is reliant on further capital raises and/or monetising its non-current assets, to meet its committed and contracted expenditure in the going concern period. The coronavirus pandemic sweeping the world has severely impacted global markets and economies the world over. These unprecedented times may hinder the Company’s ability to raise capital or sell assets in a timely manner, and be of a lesser quantum or at a lesser valuation due to this.

1. Accounting policies (Cont'd)

1.3 Going concern (Cont'd)

Tally Ltd completed a private funding round in August and December 2020 raising a total of £311,300 at 2p per share, of which the Board contributed £30,000. In November 2020 Tally Ltd completed the part sale of £1,923,928, being £1,895,069 after costs, of its shares held in Railsbank Technology Ltd. It is anticipated that funds will continue to be generated within the Group through revenue generated from the tally platform, the placing of new ordinary shares and divestment of its non-core assets.

The directors are confident that sufficient capital will be available as required for at least the next 12 months from new equity investment and asset sales.

1.4 Basis of consolidation

Subsidiaries
Subsidiaries are entities controlled by the Group. Control exists when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. In assessing its power over the investee, the Group takes into consideration its rights through shareholding or other arrangements to direct the activities which significantly affect the investee's returns. The acquisition date is the date on which control is transferred to the acquirer. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Transactions eliminated on consolidation
Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Goodwill represents the excess of the consideration transferred, less the amount of any non-controlling interest in the acquiree over the fair value of the identifiable net assets acquired.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity. Acquisition-related costs are expensed as incurred.

1. Accounting policies (Cont'd)

1.5 Investment in associates

The cost of acquiring equity investments in entities over which the Group is considered to have significant influence is capitalised and classified as an investment in associate. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of these policies.

The investment in associates is accounted for using the equity method. Under this method, on initial recognition the investment in an associate is recognised at cost, and the carrying amount is increased or decreased to recognise the Group's share of the profit or loss of the investee after the date of acquisition. The Group's share of the investee's profit or loss is recognised in the Group's statement of comprehensive income. The carrying amount is also adjusted for changes in the Group's proportionate interest in the investee.

After application of the equity method, including recognising the associate's losses, the Group determined whether it is necessary to recognise any additional impairment loss with respect to its net investment in the associate. If any indication of impairment is noted, the impairment testing will follow the principles of *IAS 36 Impairment of Assets*. The Group determines at each reporting date whether there is any objective evidence that the investment on the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value. Any impairment loss is recognised in 'Share of loss of associate' in the statement of comprehensive income.

Dilution gains and losses arising in investments in associates are recognised in the statement of comprehensive income.

1.6 Intangible assets

Goodwill
Goodwill is measured as described in note 1.4. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments (note 3).

Internally generated software
Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads. Other development expenditure is expensed as incurred. Capitalised development costs are recorded as intangible assets and amortised on a straight-line basis from the point at which the asset is ready for use, over a period of 5 years. The platform was put in to use in June 2019 and has been amortised from this date.

1. Accounting policies (Cont'd)

1.6 Intangible assets (Cont'd)

Trademarks and licences

Trademarks and licences are included in Intangible assets and initially recognised at cost and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised using the straight -line method over 10 years which is the shorter of their estimated useful lives and period of contractual rights.

1.7 Tangible assets

Tangible assets are stated at cost (or deemed cost) less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs. The Company assesses at each reporting date whether tangible fixed assets are impaired.

Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of each asset over its estimated useful life, as follows:

Computer Equipment	3 years
Furniture and Fittings	10 years

It is anticipated that the assets will have no residual value at the end of their useful lives.

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in profit on disposal of tangible fixed assets in the statement of comprehensive income.

1.8 Classification of financial instruments issued by the Group

In accordance with IAS 32, financial instruments issued by the Group are treated as equity only to the extent that they meet the following two conditions:

(a) they include no contractual obligations upon the Group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Group; and

(b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Where a financial instrument that contains both equity and financial liability components exists these components are separated and accounted for individually under the above policy.

1. Accounting policies (Cont'd)

1.9 Non-derivative financial instruments

Non-derivative financial instruments comprise investments, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Trade and other payables
Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Term deposits
Term deposits comprise bank deposits with maturity dates of between 3 and 12 months from the consolidated statement of financial position date.

Cash and cash equivalents
Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand that form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows.

1.10 Foreign currency

Foreign currency transactions
Transactions in foreign currencies are translated to the respective functional currencies of the Group's entities at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the statement of comprehensive income. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Foreign operations
The assets and liabilities of foreign operations are translated to the Group's presentation currency, at foreign exchange rates ruling at the consolidated statement of financial position date. The revenues and expenses of foreign operations are translated at an average rate for the year where this rate approximates to the foreign exchange rates ruling at the dates of the transactions. Exchange differences arising from the translation of foreign operations are reported as an item of other comprehensive income and accumulated in the translation reserve. When a foreign operation is disposed of, such that control is lost, the entire accumulated amount in the translation reserve is recycled to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while still retaining control, the relevant proportion of the accumulated amount is reattributed to non-controlling interests.

Exchange differences arising from a monetary item receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of a net investment in a foreign operation and are recognised directly in equity in the translation reserve.

1.11 Financial assets at fair value through profit or loss

Classification
Equity and commodity investments are classified as 'financial assets at fair value through profit or loss.' These financial assets are designated by the Board of Directors at fair value through profit or loss at inception.

Financial assets designated at fair value through profit or loss at inception are those that are managed and their performance evaluated on a fair value basis in accordance with the Company's investment strategy. The Company's policy is for the Board of Directors to evaluate the information about these financial assets on a fair value basis together with other related financial information.

1. Accounting policies (Cont'd)

1.11 Financial assets at fair value through profit and loss (Cont'd)

Recognition
Purchases and sales of investments are recognised on the trade date, the date on which the Company commits to purchase or sell the investment.

Derecognition of financial assets
A financial asset (in whole or in part) is derecognised either (i) when the Company has transferred substantially all the risks and rewards of ownership; or (ii) when it has neither transferred nor retained substantially all the risks and rewards and when it no longer has control over the assets or a portion of the asset; or (iii) when the contractual right to receive cash flow has expired. Any gain or loss on derecognition is taken to the Statement of Comprehensive Income as appropriate.

Measurement
Financial assets at fair value are initially recognised at fair value. Subsequent to initial recognition, all financial assets at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets at fair value' category are presented in the Statement of Comprehensive Income in the period in which they arise.

Fair value estimation
The fair value of financial assets traded in active markets is based on quoted market prices at the Statement of Financial Position date. The quoted market price used for the financial assets held by the Company is the bid price at the close of the respective market at the Statement of Financial Position date. Warrants are carried at fair value using standard Black Scholes valuation models. Further details are disclosed in note 8. Unlisted investments are carried at such fair value as the Directors consider appropriate given the performance of each investee company and after considering the financial position of the entity, latest news and developments.

Fair value measurement hierarchy
IFRS 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The level in the fair value hierarchy within which the financial asset or financial liability is categorised is determined on the basis of the lowest input that is significant to the fair value measurement. Financial assets and financial liabilities are classified in their entirety into one of the three levels. For financial instruments that are recognised at fair value on a recurring basis, the Board determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

1.12 Impairment of financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the

1. Accounting policies (Cont'd)

1.12 Impairment of financial assets (Cont'd)

amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. 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 the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognised if the carrying amount of an asset or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash generated units are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1.13 Assets held for sale

The Group shows assets or cash generating units as held for sale when the following criteria are met:

- Management is committed to a plan to sell;
- The asset is available for immediate sale;
- An active programme to locate a buyer is initiated;
- The sale is highly probably and expected within 12 months; and
- The asset is being actively marketed.

When classified as held for sale, the asset is transferred to current assets and valued at the lower of it's carrying amount and fair value less costs to sell. Any fair value movements go through profit or loss.

1.14 Share based payment arrangements

Share-based payment arrangements in which the Group receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, regardless of how the equity instruments are obtained by the Group.

Share-based transactions, other than those with employees, are measured at the value of goods or services received where this can be reliably measured. Where the services received are not identifiable, their fair value is determined by reference to the grant date fair value of the equity instruments provided. Should it not be possible to measure reliably the fair value of identifiable goods and services received, their fair value shall be determined by reference to the fair value of the equity instruments provided measured over the period of time that the goods and services are received.

1. Accounting policies (Cont'd)

1.14 Share based payment arrangements (Cont'd)

The expense is recognised in profit or loss (or capitalised as part of an asset) when the goods are received or as services are provided, with a corresponding increase in equity.

The grant date fair value of share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the awards. The fair value of the options granted is measured using an option valuation model, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no "true-up" for differences between expected and actual outcomes.

Share-based payment transactions in which the Group receives goods or services by incurring a liability to transfer cash or other assets that is based on the price of the Group's equity instruments are accounted for as cash-settled share-based payments. The fair value of the amount payable to recipients is recognised as an expense, with a corresponding increase in liabilities, over the period in which the recipients become unconditionally entitled to payment. The liability is re-measured at each consolidated statement of financial position date and at settlement date. Any changes in the fair value of the liability are recognised in profit or loss.

1.15 Revenue

Revenue comprises the invoiced value of goods and services supplied by the Group, net of Value Added Tax and trade discounts. Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods and services supplied, stated net of discounts, returns and Value-Added Taxes.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity, and specific criteria have been met for each of the Group's activities, as described below.

Revenue represents transaction and storage fees earned through the legacy online trading platform known as The Real Asset Company transaction fees and storage fees are recognised in the accounting period in which the service is provided.

1.16 Expenses

Operating lease payments

The Group has taken short term exemptions under IFRS 16 on the lease agreement over its operating premises which expired in the year. Payments made under short term operating leases with a period of 12 months or less are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense.

Financing income and expenses

Financing expenses comprise interest payable and finance charges on shares classified as liabilities recognised in profit or loss using the effective interest method, unwinding of discounts on provisions, and net foreign exchange losses that are recognised in the income statement (see foreign currency accounting policy note 1.10). Financing income comprises interest receivable on funds invested, dividend income, and net foreign exchange gains.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Foreign currency gains and losses are reported on a net basis.

1. Accounting policies (Cont'd)

1.17 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the consolidated statement of financial position date, and any adjustment to tax in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

1.18 Earnings per share

The Group presents basic and diluted earnings or loss per share data for its ordinary shares. Basic earnings/loss per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held. Diluted earnings/loss per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise share options and warrants granted.

1.19 Operating segments

Segment results that are reported to the Chief Executive Officer include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, head office expenses, and income tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the period to acquire plant and equipment, and intangible assets other than goodwill.

1.20 New IFRS adopted for the first time and standards not yet applied

New standards adopted for the first time in the year ended 30 June 2020

The Group has applied the following standards and amendments for the first time for its annual reporting period commencing 1 July 2019:

- IFRS 16 Leases;
- IFRIC23 Uncertainty over tax treatments;
- IAS 28(Amendments) Long-term interests in associates and joint ventures

On 1 July 2019 the Group adopted all of the requirements of IFRS 16 – Leases. IFRS16 Leases was issued in January 2016 and provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value.

At 1 July 2019 the Group had no leases with a lease term greater than 12 months. Consequently, the adoption of the standard resulted in no impact to the opening financial statements.

1. Accounting policies (Cont'd)

1.20 New IFRS adopted for the first time and standards not yet applied (Cont'd)

One new lease was signed during the financial year which has been recognised in accordance with the new standard. In the statement of Financial Position the right of use asset is recorded in non-current assets and the lease liability is split between current liabilities (£38,506) and non current liabilities for the remainder (£61,214). The figures brought into the Statement of Financial Position represented 1% of non current assets, 4% of current liabilities and 100% of non current liabilities.

To determine the split between principal and interest in the lease the Company applied an estimate of the interest it would have to pay in order to finance payments under the new lease. See note 16 for further detail and accounting policy.

Other than as described above, there has been no material impact on the financial statements as a result of the adoption of the new and amended standards.

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the consolidated financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

Standard		Effective date
Amendments to IFRS9, IAS39 and IFRS7	Interest rate benchmark Reform	1 January 2020
Amendments to IFRS 3	Business combinations	1 January 2020
Amendments to IAS 1 and IAS 8	Definition of materiality	1 January 2020
Amendments to Reference to the Conceptual Framework in IFRS Standards		1 January 2020
Amendments to IFRS 16	Leases – Covid-19 – Related Rent Concessions	1 June 2020
Annual Improvements	Annual Improvements to IFRS Standards 2018-2020 Cycle	*1 January 2022

* subject to EU endorsement

The Directors are continuing to assess the potential impact that the adoption of the standards listed above, will have on the consolidated financial statements for the year ended 30 June 2021 however no material impact is expected.

1.21 Use of estimates and judgements

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are described in the following notes:

Judgements
- Going concern (note 1.3);
- Recoverability of assets held for sale (note 8);
- Valuation of and classification of investments (note 8 and note 9); and
- Carrying value and recoverability of intangible assets (note 6)

Estimates
- Fair value measurement of options and warrants (note 12).

2. Risk management

Overview
The Group has exposure to the following risks:

- Credit risk;
- Liquidity risk;
- Tax risk;
- Currency risk;
- Market risk; and
- Operational and regulatory risk

This note presents information about the Group's exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk, and its management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

Risk management framework
The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework and developing and monitoring the Group's risk management policies. Key risk areas have been identified and the Group's risk management policies and systems will be reviewed regularly to reflect changes in market conditions and the Group's activities.

The Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

Credit risk
Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's bank deposits and receivables. The risk of non-collection is considered to be low.

Liquidity risk
Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Tax risk
The Company holds its investments in India through Lionsgold India Holdings Ltd, a wholly owned Mauritian subsidiary. As with all investments into India through Mauritius, this is subject to the India Mauritius Double Taxation Avoidance Agreement and withholding taxation arising thereof. There has been a recent amendment to this tax treaty and all investments made after 1 April 2017 will be subject to withholding tax in India on capital gains. While investments prior to this date are 'grandfathered' and will not be subject to withholding tax in India, there can be no guarantee that future amendments to this tax treaty, should there be any, will not bring in a more adverse taxation regime.

A Tax Information Exchange Agreement is in place between Guernsey and India.

The Group does not currently generate any income in India and its investment is capital in nature. Future tax liabilities may be subject to how Indian tax law changes and how the relevant double tax treaties are interpreted from time to time.

Currency risk
The Group is exposed to currency risk on cash and cash equivalents, receivables and payables that are denominated in a currency other than the functional currency of each of the Group entities. In order to reduce currency risk, each entity holds most of its funds in the same currency as its functional currency in sufficient amounts to cover expected future outgoings for several months. The Group does not use derivatives to hedge its foreign currency exposures.

Market risk
The Group has an interest in various entities constituting investments in associates and a joint venture. Such investments are in Geomysore and Kalevala. This exposes the Group to fluctuations in the value of that equity investment. In addition, the Group's future potential revenues from product sales will be affected by changes in the market price of gold and could also be subject to exchange controls or similar restrictions.

2. Risk management (cont'd)

Operational and regulatory risk
tally® has been developed as an alternative mainstream currency complementary to fiat currency, used in retail banking. The Company has engaged a regulatory legal specialist firm to opine on the UK jurisdictional landscape and whilst the opinion confirmed that Tally Ltd was able to release tally® to the public in the UK, regulations can potentially change and indeed in some countries the Company may wish to take tally® into, it may not be legally possible in the short to medium term. The Group's business is at an early stage and is subject to several operational risks. These risks include access and trading of physical gold, reliance on Railsbank Technology for the banking connectivity and maintaining multiple currency ledgers, and delays in approvals to enter new markets as desired by the Company. Operational risks in relation to exploration and mining include delays in approvals to undertake exploration or production activities, actual resources differing from estimates, operational delays and the availability of equipment, personnel and infrastructure.

Capital management
The Group has no loans or borrowings and has sufficient resources, in the view of the Directors, to meet its working capital requirements for the next 12 months. See note 1.3 as to the capital available to the Group to satisfy this assertion. The Group manages its capital through the preparation of detailed forecasts, and tracks actual receipts and outlays against the forecasts on a regular basis, to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders. The capital structure of the Group consists of cash and cash equivalents and equity comprising, capital, reserves and accumulated losses.

3. Operating segments

Tally released its proof-of-concept smartphone banking app in the UK just prior to the start of the financial year (10 June 2019, at which time 100 tally® = £3.33). During the reporting period, the banking app was redesigned and the tally® app 2.0 was released in the UK on 27 January 2020 (at which time t100 = £3.89). Following a brief February promotion that saw customer numbers jump from approximately 1,500 accounts, to over 5,000 within two days and the tally® app achieve a top 10 ranking of finance apps, between Monzo® and Revolut®, Tally restructured its technology development capabilities and redesigned and built the second generation tally® architecture to be a commercially fit-for-scale banking platform. Tally's 2G platform went live at the end of the financial year ending 30 June 2020 (at which date t100 = £4.63).

Tally has delivered its innovative banking proposition in its inaugural jurisdiction as a commercially scalable product and the Company can now focus on growing traction with customers and evidencing product-market fit concurrently with ongoing technology and product development.

In addition to its core business, during the financial year the Company maintained its exposure to interests in a digital banking and compliance API provider, Railsbank Technology Ltd, and exploration and mining projects, Geomysore Services India Pvt Ltd and Kalevala Gold Oy. The year-end, the Company has implemented a strategy of divesting or otherwise converting these holdings, in whole or in part, to liquid assets that can be applied to the business growth of tally®.

For the financial year under review the Group had two reportable segments, being the development of the tally® banking platform and investment in gold exploration and production activities in the Southern Indian states of Andhra Pradesh and Karnataka, and central Eastern Finland.

The Group also has corporate administrative functions outside India which generate corporate expenses that have not been allocated to a segment.

The Group's Chief Executive Officer reviews internal management reports for this segment on a bi-monthly basis. Information regarding the results of the reportable segments is included below. The Group has minimal revenue at this stage of its development and performance is measured based on expenses incurred and exploration activity levels in the Indian segment and development of the tally® platform.

3. Operating segments (Cont'd)

	Gold exploration and production		TallyMoney Ltd		Corporate		Total	
	2020 £	2019 £	2020 £	2019 £	2020 £	2019 £	2020 £	2019 £
Income	-	-	20,431	36,420	-	-	20,431	36,420
Depreciation and amortisation	-	-	(169,418)	(534)	(1,558)	(260)	(170,976)	(794)
Gain / (loss) on investments	-	-	10,115	8,137	3,017,523	791,719	3,027,638	799,856
Share of loss of associate	(64,362)	(66,889)	-	-	-	-	(64,362)	(66,889)
Intercompany loans forgiven	-	51,566	-	-	-	-	-	51,566
Other reportable segment expenses	532	54,188	(876,165)	(609,722)	(253,246)	(618,246)	(1,128,879)	(1,173,780)
Segment result before tax	(63,830)	(12,701)	(1,015,037)	(567,237)	2,762,719	171,345	1,683,852	(408,593)
Tax	-	-	116,151	-	-	-	116,151	-
Segment result after tax	(63,830)	(12,701)	(898,886)	(567,237)	2,762,719	171,345	1,800,003	(408,593)
Reportable segment assets	2,929,519	2,955,328	983,833	720,599	5,809,126	3,301,204	9,722,478	6,977,131
Investments in associate	3,890,968	3,955,330	-	-	-	-	3,890,968	3,955,330
Reportable segment liabilities	(214)	(998)	(505,736)	(348,997)	(544,883)	(138,182)	(1,050,833)	(488,177)

4. Expenses and auditor's remuneration

	2020 £	2019 £
Included in loss for the year are the following:		
Operating lease expense	35,763	17,402
Finance costs	(57,203)	(5,645)

	2020 £	2019 £
Auditor's remuneration		
Audit of consolidated financial statements	18,000	18,000

5. Income tax

	2020	2019
	£	£
Current tax		
Research and development tax credit relief refund	(116,151)	-
Deferred tax		
Origination and reversal of temporary differences	-	-
Tax in income statement	(116,151)	-

Reconciliation of effective tax rate	**2020** %	**2020** £	**2019** %	**2019** £
Profit/(loss) for the year		1,800,003		(408,593)
Total income tax for the year		(116,151)		-
Profit/(loss) excluding income tax		1,683,852		(408,593)
Income tax using the respective domestic rate for the Group	19	319,932	19	(77,632)
Non-taxable income		(536,506)		
Non-deductible expenses		46,399		22,288
Net research and development tax credits		(116,151)		-
Current year losses for which no deferred tax was recognised		206,997		55,344
Utilisation of historic tax losses		(36,822)		-
		(116,151)		-

Deferred tax assets are recognised for losses carried forward to the extent that the realisation of the related tax benefit through future taxable profits is probable.

The Group did not recognise deferred tax assets in relation to Indian tax losses of approximately nil (2019: £9,000), UK tax losses of approximately £205,000 (2019: £116,000) and Mauritian tax losses of approximately £2,000 (2019: £11,000) that can be carried forward against future taxable income.

6. Intangible Assets

Non-current assets	Goodwill	Internally Generated Software	Trademarks	Total
	£	£	£	£
Balance at 1 July 2019	178,719	547,178	15,578	741,475
Additions – internal development	-	364,053	-	364,053
Balance at 30 June 2020	178,719	911,231	15,578	1,105,528
Amortisation				
Balance at 1 July 2019	-	-	260	260
Charge for the year	-	146,851	1,558	148,409
Balance at 30 June 2020	-	146,851	1,818	148,669
Net book value at 30 June 2020	178,719	764,380	13,760	956,859
Net book value at 30 June 2019	178,719	547,178	15,318	741,215

Tally Ltd, designed and developed, through its 100% owned operating subsidiary TallyMoney Ltd, a full-reserve banking and monetary system and mobile phone banking app that allows customers to hold an individual bank account denominated in tally® (1 tally® = 1 milligram of physical gold), sourced and vaulted on behalf of the customer. The app delivers the utility and convenience of everyday banking, for the customer's directly owned physical asset. Costs directly attributable to the continued development and enhancement of this platform have been capitalised under IAS 38.

The group estimates the useful life of the software to be at least 5 years based on the expected technical obsolescence of such assets. The software is amortised from the date that it was ready for use, being June 2019.

7. Tangible Assets

Non-current assets	Computer Equipment	Furniture and Fittings	Total
	£	£	£
Balance at 1 July 2019	5,800	7,677	13,477
Additions	415	632	1,047
Balance at 30 June 2020	6,215	8,309	14,524
Depreciation			
Balance at 1 July 2019	376	158	534
Charge for the year	1,989	815	2,804
Balance at 30 June 2020	2,365	973	3,338
Net book value at 30 June 2020	3,850	7,336	11,186
Net book value at 30 June 2019	5,424	7,519	12,943

The group estimates the useful life of the computer equipment to be 3 years and furniture and fittings to be 10 years with no residual value.

8. Investments

Investments in Associates:

Geomysore Services India Private Limited ("Geomysore"):

Tally Ltd has an equity interest in Geomysore equal to 21.35% (2019: 21.44%). Geomysore is an Indian gold exploration company based in Bangalore with an extensive portfolio of gold exploration projects including their most developed project being a planned mine development at Jonnagiri in Southern India.

Geomysore is accounted for as an associate because, while Tally Ltd has significant influence over Geomysore, it does not have control, and it is accounted for on an equity accounting basis.

The share subscriptions by Tally Ltd and the other shareholders throughout the duration of the equity holding, subscribed initially by Tally Ltd in August 2013, has resulted in the Group's interest in Geomysore fluctuating on a regular basis.

Due to new investment received by Geomysore during the reporting period, Tally Ltd's interest decreased during the year to a 21.35% equity interest at the reporting date (2019: 21.44%).

The carrying value of the investment in associate is determined as follows:

	2020	2019
	£	£
Investment in associate		
Opening balance	3,367,103	3,320,734
Investment additions	-	96,000
Share of loss in associate	(39,469)	(49,631)
Total	3,327,634	3,367,103

The Board has considered the valuation of its investment in Geomysore and determined that its fair value is at least equal to the carrying value of £3,327,634 (2019: £3,367,103) and no impairment loss is warranted. In determining the fair value of this investment, the Board has had regard to the following areas of judgement:

- the financial position of Geomysore,
- the progress made to date with its exploration activities together with the results from the indicative and inferred resource included in the Jonnagiri Economic Feasibility Study (EFS),
- the significant uplift in the price of gold since the EFS was complete and exchange rates at the reporting date,
- the benchmark valuations of junior and early-stage miners on world markets, and
- the further investment by two existing shareholders this financial year and activity around potential new investors that are in preliminary negotiations.

The unaudited financial statements of Geomysore for the year ended 31 March 2020, prepared under Indian GAAP, comprised:

Total assets of £13.3m (2019: £13.8m), of which £12.3m (2018: £12.7) are non-current, £587k are current (2019: £639k) and £421k cash (2019: £464k). Liabilities of £816k (2019: £607k) of which £420k (2019: £447k) are non-current and £396k (2019: £160k) are current.

Total income for the year was £28.6k (2019: £43.5k). Geomysore incurred a loss of £39.3k (2019: £64.6k).

8. Investments (Cont'd)

Investments in Associates (Cont'd):

Kalevala Gold Oy:

As at the balance sheet date, Tally Ltd held 32% (30 June 2019: 32%) of a Finnish operating company Kalevala Gold Oy ("Kalevala"). Kalevala was established to develop the various licences subject to the joint venture with Mineral Exploration Network (Finland) Limited ("MENF" or the "JV").

Kalevala has historically been accounted for as an associate due to the percentage holding and due to the fact that Tally Ltd, whilst having influence over Kalevala, does not have control and was accounted for on an equity accounting basis.

As at 30 June 2020, the Company was seeking a buyer for their investment in Kalevala, following interest from third parties during the year. The sale of the asset is expected to occur within 12 months of the reporting date and as a result, the investment value has been reclasified as held for sale. The amount transferred to held for sale is considered to be the fair value of the asset as at the year end.

The carrying value of the investment in Kalevala is determined as follows:

	2020	2019
	£	£
Investment in associate		
Opening balance	588,227	578,484
Investment additions	-	27,001
Share of loss in associate	(24,893)	(17,258)
Reclassification to held for sale	(563,334)	-
Total	-	588,227

	2020	2019
	£	£
Assets held for sale		
Opening balance	-	-
Reclassification from investment in associate	563,334	-
Total	563,334	-

The unaudited management accounts of Kalevala Gold Oy for the period ended 31 December 2019, prepared under Finnish GAAP, comprised:

Assets of £65.6k (31 Dec 2018: £74.9k), of which £7.5k (31 Dec 2018: £2.7k) are current assets and £25.9k cash (31 Dec 2018: £26.8k). Liabilities of £59.2k (31 Dec 2018: £54.0k), of which all are current.

Kalevala Gold had revenue of £18k and the total loss incurred for the period ended 31 Dec 2019, was £29k (31 Dec 2018: £90k). In reviewing the fair value of the asset upon reclassification, the indicators of impairment under IAS 36 have been considered by the Board with respect to the carrying value of Kalevala:

- good title to key licenses,
- positive results from exploration activities to date and gold produced from box-cut test mining and equipment testing,
- interest received by other mining and exploration companies
- further exploration, tailings processing and environmental impact evaluation and mining licence application expenditure is to be discussed and agreed, but not yet committed.

From their review, the Board consider there is no indicators of impairment.

8. Investments (Cont'd)

Investments at fair value through profit and loss

Railsbank Technology Limited:

At the balance sheet date Tally Ltd held 6.4% (2019: 12.5%) of Railsbank Technology Limited ("Railsbank"), the provider of a global banking and compliance platform API, that Tally's full-reserve banking platform operates on. Cameron Parry served as a Non-Executive Director of Railsbank from 12 March 2018 and stepped down on 20 August 2019.

Management has assessed the level of influence that the Group has on Railsbank and determined that the Group has not exercised significant influence during the year. The assessment also took into consideration board representation, the contractual terms and the substance of the arrangement. Consequently, Railsbank has been classified as an investment.

The value of this investment at the year-end is £4,575,314 (2019: £2,062,715). The asset is held at fair value through profit or loss.

In January 2020, Railsbank concluded a Series A funding round of approximately $10 million. During this funding round, Tally sold approximately 25% (32,018 shares) of its shareholding in Railsbank for a total cash consideration of $656,369 (£504,924). Following this transaction, Tally's effective shareholding in Railsbank reduced from 12.5% to 6.7% (98,782 shares). Based on Tally's disposal price, the implied value of Tally's Railsbank investment at 30 June 19 was £2,062,715, 62% higher than the original investment (at cost).

In November 2020, Railsbank completed a further funding round of c$37 million in connection with which Tally sold a further 41,538 Railsbank shares for a total gross cash consideration of $2.5 million (£1,923,928). The price per share achieved on the November 2020 disposal of $60.18 was 376% higher than the original cost ($12.63) and 194% higher than the price achieved on the January 2020 disposal ($20.50)

The carrying value of the 98,782 Railsbank shares held as at 30 June 2020 has been uplifted to £4,575,314 to reflect the price per share of £46.32 ($60.18 @ GBP/USD: 1.30) achieved on the November 2020 disposal, giving rise to an unrealised gain on revaluation of £3,017,523.

A fair value uplift has been recognised in profit or loss as a result of the increase at year-end in the implied valuation from the post year end disposal. The investment is entirely categorised as level 3 under the fair value hierarchy.

	Fair Value Level 1	Fair Value Level 2	Fair Value Level 3	Fair Value Total
	£	£	£	£
As at 1 July 2019	-	-	2,062,715	2,062,715
Disposals during the year	-	-	(504,924)	(504,924)
Gains and losses recognised in profit or loss	-	-	3,017,523	3,017,523
Fair value at 30 June 2020	-	-	4,575,314	4,575,314

	Fair Value Level 1	Fair Value Level 2	Fair Value Level 3	Fair Value Total
	£	£	£	£
As at 1 July 2018	-	-	1,270,997	1,270,997
Disposals during the year	-	-	-	-
Gains and losses recognised in profit or loss	-	-	791,718	791,718
Fair value at 30 June 2019	-	-	2,062,715	2,062,715

9. Financial assets at fair value

Details of the significant accounting policies and methods adopted by the Company, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of its financial assets and liabilities are disclosed in note 1. The following table analyses the fair value of the Group's financial assets by category as defined in IFRS 13.

	Fair Value Level 1	Fair Value Level 2	Fair Value Level 3	Fair Value Total
	£	£	£	£
As at 1 July 2019	27,644	-	-	27,644
Net additions/(disposals) during the year	22,828	-	-	22,828
Gains and losses recognised in profit or loss	10,115	-	-	10,115
Fair value at 30 June 2020	60,587	-	-	60,587

	Fair Value Level 1	Fair Value Level 2	Fair Value Level 3	Fair Value Total
	£	£	£	£
As at 1 July 2018	60,847	-	-	27,644
Net additions/(disposals) during the year	(41,340)	-	-	(41,340)
Gains and losses recognised in profit or loss	8,137	-	-	8,137
Fair value at 30 June 2019	27,644	-	-	27,644

The Level 1 financial assets are holdings in gold and silver bullion as part of the legacy business model of The Real Asset Company. The fair value at the year-end is the quoted market value.

10. Trade and other receivables

	2020	2019
	£	£
Other receivables	49,643	56,825
Prepayments	23,173	21,229
	72,816	78,054

11. Trade and other payables

	2020	2019
	£	£
Current liabilities		
Trade payables	330,398	351,904
Loan and facility fee payable	450,000	-
Non-trade payables and accrued expenses	170,715	136,273
	951,113	488,177

11. Trade and other payables (cont'd)

On 29 July 2019, Mike Joseph made available an unsecured drawdown facility of £400,000 that had a facility fee of £50,000 (12.5%) payable on commencement for the period up to 12 months and that subsequently attracted an annual facility fee on the anniversary of the commencement calculated as 12.5% on any remaining balance including fees.

The facility was fully drawn down in two tranches; £250,000 on 29 July 2019 and £150,000 on 5 December 2019. The total amount outstanding under this loan facility as at 30 June 2020 of £450,000 comprised the principal of £400,000 and facility fee of £50,000. On 30 November 2020 the unsecured loan of £400,000 together with the total facility fees applicable of £106,250 was repaid to Mike Joseph and the drawdown facility cancelled.

12. Share-based payments and warrants

a) Options

The Company has the ability to issue options to Directors to compensate them for services rendered and incentivise them to add value to the Group's longer-term share value.

As at 30 June 2020, the following unexpired options were in existence over the shares of Tally Ltd:

Name	Date of Grant	Ordinary Shares under option	Expiry Date	Exercise Price £
Cameron Parry	18.01.17	10,000,000	31.12.22*	0.022

Each option entitles the holder to subscribe for one ordinary share in Tally Ltd. Options do not confer any voting rights on the holder.

* The expiry date of the options granted to Cameron Parry was extended on 29 November 2019 by a further 3 years to 31 December 2022, but subject to only being capable of exercise from the date the Company's shares recommence trading on a recognised investment exchange.

The number and weighted average exercise price of the options are as follows:

	Weighted average exercise price £ 2020	Number of options 2020	Weighted average exercise price £ 2019	Number of options 2019
Options issued by Tally Ltd				
Outstanding at the beginning of the year	0.0220	13,800,000	0.0220	13,800,000
Expired during the year	0.0220	(3,800,000)	-	-
	0.0220	10,000,000	0.0220	13,800,000

1,800,000 options with an exercise price of £0.022 granted to Hanuma Prasad and 2,000,000 options with an exercise price of £0.022 granted to former Director Luke Cairns expired without exercise on 31 December 2019.

As at 30 June 2020, the weighted average remaining contractual life of the options was 2.5 years (2019 - 2.5 years).

12. Share-based payments and warrants (Cont'd)

b) Warrants

As at 30 June 2020, the following warrants were in existence:

Date of Grant	Warrants issued	Warrants exercised	Warrants expired	Warrants Remaining	Expiry Date	Exercise Price £
08.11.2017	2,500,000	-	-	2,500,000	30.11.2022	0.011
08.11.2017	2,500,000	-	-	2,500,000	30.11.2022	0.022
29.11.2019	47,200,000	-	-	47,200,000	*	*
	52,200,000	-	-	52,200,000		

The warrants issued in 2017 were attached to the appointment of a global strategy consultant and shares issued to this individual. The fair value of these warrants is considered to be £nil as the amount paid for the share and warrant bundle is equivalent to the fair value of the share.

* the exercise price of the warrants issued on 29 November 2019 is 150% of the Company's Initial Public Offering ("IPO") price with a term of 2 years from IPO. As the IPO date and price is uncertain, these are not included in the above analysis.

The number and weighted average exercise price of warrants are as follows:

Warrants in issue	Weighted average exercise price 2020	Number of warrants 2020	Weighted average exercise price 2019	Number of warrants 2019
	£		£	
Outstanding at 1 July	0.0165	5,000,000	0.0171	103,690,909
Issued during the year	**	47,200,000	0.0000	-
Expired during the year	-	-	0.0220	(42,509,091)
Exercised during the year	-	-	0.0135	(56,181,818)
	0.0165**	**52,500,000**	**0.0165**	**5,000,000**

**the warrants issued on 29 November 2019 have an exercise price of 150% of the Company's Initial Public Offering ("IPO") price and will expire two years from the date of the IPO exercise. As the exercise price and the expiry date of these warrants will be determined by the eventual pricing and timing of the future IPO of the company, they have been excluded from calculation of the weighted average exercise price and weighted average remaining contractual life of the total warrants outstanding

As at 30 June 2020, the weighted average remaining contractual life of the 5,000,000 warrants was 2 years and 5 months (2019: 3 years and 5 months).

13. Capital and reserves

a) Movement in issued and fully paid share capital:	**Ordinary Shares no par value**
In issue at 1 July 2019	588,641,114
Issued	43,666,667
In issue at 30 June 2020	632,307,781

All shares issued by the Company are 'ordinary' shares and rank equally in all respects, including for dividends, shareholder attendance and voter rights at meetings, on a return of capital and in a winding-up.

In July 2019, Tally Ltd completed a pre-Series A funding round raising a total of £655,000, of which the board and management contributed £125,000 via the issue of 43,666,667 new ordinary shares at 1.5 pence per share. These new shares rank pari-passu with all existing ordinary shares.

13. Capital and reserves (Cont'd)

As a result of the above events, the total shares in issue as at 30 June 2020 was 632,307,781 (2019: 588,641,114).

In accordance with the provision of the Disclosure Guidance and Transparency Rules of the FCA, the issued ordinary share capital of Tally Ltd including the issue of the new ordinary shares is 648,122,781 Ordinary Shares with voting rights attached (one vote per share). There are no shares held in treasury.

b) Reserves

Share premium reserve
The share premium reserve comprises the excess of consideration received over the par value of the shares issued, plus the nominal value of share capital at the date of re-designation at no par value.

	Share premium reserve £
As at 1 July 2019	29,394,063
Movement for the year	623,213
As at 30 June 2020	30,017,276

Share based payment reserve
The share-based payment reserve comprises the fair value of warrants and options granted, less the fair value of lapsed and expired warrants and options.

Foreign exchange translation reserve
The foreign exchange translation reserve contains all foreign currency differences arising from the translation of the financial statements of foreign operations. Changes arising from monetary items that are considered to be part of the net investment are also included in the foreign exchange translation reserve.

Reserves in the Consolidated Statement of Financial Position comprise the share-based payment reserve, shares to be issued reserve and the foreign exchange translation reserve.

Shares to be issued
The shares to be issued reserve relates to monies received in advance in relation to a pre-Series A round of funding in July 2019 raising a total of £655,000 at 1.5p per share, of which the board contributed £125,000. £235,000 of this was paid before 30 June 2019 and is recognised in shares to be issued at 30 June 2019 on the Statement of Financial Position.

	Share based payment reserve £	Foreign exchange translation reserve £	Shares to be issued reserve £	Total £
As at 1 July 2019	13	29,017	235,000	264,030
Movement for the year	(13)	(5,512)	(235,000)	(240,525)
As at 30 June 2020	-	23,505	-	23,505

14. Earnings per share

The calculation of basic profit per share at 30 June 2020 was based on the profit of £1,800,003 (2019: £408,593), and a weighted average number of ordinary shares outstanding of 614,123,306 (2019: 562,411,475), calculated as follows:

	2020 £	2019 £
Profit/(loss) attributable to ordinary shareholders	**1,800,003**	**(408,593)**

Weighted average number of ordinary shares	**Number ‘000**	**Number ‘000**
Issued ordinary shares at 1 July	588,641	512,459
Effect of shares issued during the year	25,482	49,952
Weighted average number of shares at 30 June	614,123	562,411

Diluted earnings per share
Options and warrants granted to the Directors, staff and external consultants are considered to be potential ordinary shares and have not been included in the determination of diluted profit/(loss) per share as the effect of exercise would be anti-dilutive. The weighted average number of equity instruments used in the calculation of the diluted EPS is 647,278,922. The options have not been included in the determination of the basic loss per share.

	2020 pence per share	*2019 pence per share*
Basic and diluted earnings/ (loss) per share	0.29	(0.07)
Diluted earnings per share	0.28	-

15. Financial instruments

(a) Fair values of financial instruments

The fair values of all financial assets and financial liabilities are equal to their carrying amounts shown in the consolidated statement of financial position.

Trade and other receivables
The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date if the effect is material.

Trade and other payables
The fair value of trade and other payables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date if the effect is material.

Cash and cash equivalents
The fair value of cash and cash equivalents is estimated as its carrying amount where the cash is repayable on demand. Where it is not repayable on demand then the fair value is estimated at the present value of future cash flows, discounted at the market rate of interest at the reporting date.

(b) Credit risk

Financial risk management
Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group’s receivables and cash and cash equivalents. The carrying amount of cash, cash equivalents and term deposits represents the maximum credit exposure on those assets. The cash and cash equivalents are held with bank and financial institution counterparties which are rated at least A for UK banks, and BBB for Indian banks, based on rating agency Standard and Poor’s ratings.

15. Financial instruments (Cont'd)

(b) Credit risk (Cont'd)

Exposure to credit risk
The carrying amount of financial assets represents the maximum credit exposure. Therefore, the maximum exposure to credit risk at the reporting date was £199,412 (2019: £204,928), being the total of the carrying amount of financial assets, shown in the consolidated statement of financial position.

(c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

Financial liabilities	**Carrying amount** £	**Contractual cash flows** £	**6 months or less** £	**6-12 months** £	**1 -2 years** £
30 June 2020					
Trade and other payables	501,113	501,113	501,113	-	-
Lease liabilities	99,720	126,990	19,482	19,024	61,214
Loan and facility fee payable	450,000	450,000	450,000	-	-
Total	1,050,833	1,078,103	970,595	19,024	61,214
30 June 2019					
Trade and other payables	488,177	488,177	488,177	-	-

(d) Currency risk

The Group's exposure to foreign currency risk is as follows. This is based on the carrying amount of monetary financial instruments which are held in a currency that differs from that entity's functional currency, except derivatives when it is based on notional amounts.

	2020 £	**2019** £
Cash and cash equivalents – INR	14,993	15,995
Cash and cash equivalents – US$	155	2,555
Trade and other payables – INR	(214)	(998)
Trade and other payables – US$	(8,244)	(5,296)
	6,775	11,856

The following significant exchange rates applied during the year:

	Average rate 2020	**Reporting date spot rate 2020**	**Average rate 2019**	**Reporting date spot rate 2019**
GBP:INR	91.662418	93.413368	91.047247	87.560955
GBP:US$	1.263056	1.236849	1.293729	1.269929

15. Financial instruments (Cont'd)

(d) Currency risk (Cont'd)

Sensitivity analysis
A strengthening of the GBP, as indicated below, against the Indian Rupee and United States Dollar at 30 June 2020 would have decreased equity by the amount shown below. This analysis is on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant.

	Equity £	Profit or loss £
30 June 2020		
INR (10 percent strengthening)	1,344	-
US$ (10 percent strengthening)	(735)	-
30 June 2019		
INR (10 percent strengthening)	1,363	-
US$ (10 percent strengthening)	(249)	-

A weakening of the GBP against Indian Rupee and United States Dollar at 30 June would have had the equal but opposite effect on the amounts shown above, on the basis that all other variables remain constant.

(e) Interest rate risk

Profile
At the reporting date the interest rate profile of interest-bearing financial instruments was:

	Carrying amount 2020 £	Carrying amount 2019 £
Variable rate instruments		
Cash and cash equivalents	55,936	99,230
	55,936	99,230

Cash flow sensitivity analysis for variable rate instruments
The Group's interest-bearing assets at the reporting date were invested with financial institutions with a minimum rating (S&P long term rating) of A for UK banks, and BBB for Indian banks and comprised solely bank accounts.

A change in interest rates would have increased/(decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. This analysis is performed on the same basis for 2018.

	2020		2019	
	Profit or loss		Profit or loss	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
Variable rate instruments	£559	£(559)	£992	£(992)

16. Leases

The Group holds one lease that it accounts for under IFRS16, being its leased office. To determine the split between principal and interest in the lease the Company applied an estimate of the interest it would have to pay in order to finance payments under the lease. The Company used an incremental borrowing rate of 4.75% to make this estimation.

Lease liabilities are included in trade and other payables as shown in note 11.

The lease includes a break period after 12 months. The Company is reasonably certain that the break clause will not be initiated and as such have calculated the right-of-use asset over the full three year term.

The short term lease exemption was taken for the old property lease which expired on 31 December 2019. Operating lease expenses totalling £35,763 have been included in the administrative expenses in the period.

	2020
	£
For the year	
Cash outflow	
Capital	18,855
Interest	2,310
	21,165
Depreciation charge	19,763
Interest charge	2,310
As at 30 June 2020	
Right of use asset	
At 1 July 2019	-
Additions	118,575
Depreciation	19,763
At 30 June 2020	98,812
Lease liability	
Less than 12 months	38,506
Greater than 12 months	61,214
Total	99,720
Actual lease liability - current	42,330
Actual lease liability – non- current	63,495

17. Group entities

	Country of incorporation	Ownership interest 2020	2019
Lionsgold India Holdings Ltd	Mauritius	100%	100%
Kolar Gold Resources (India) Private Limited	India	100%	100%
TallyMoney Ltd	United Kingdom	100%	100%
The Real Asset Co. Limited	United Kingdom	100%	100%

TallyMoney Ltd:

TallyMoney Ltd ("TallyMoney") is the 100% wholly owned operating subsidiary of Tally Ltd. TallyMoney owns 100% of subsidiary The Real Asset Co. Limited. During calendar years 2017 and 2018, Tally Ltd's initial concept of a full reserve banking system was designed and developed by the Company's CEO Cameron Parry and the Real Asset Co. CEO, Ralph Hazell. This work led to the full reserve banking platform combined with physical asset-based currency, "Tally" – for the first time, enabling people to open an individual banking account denominated in a currency not issued by a government.

TallyMoney was a fully consolidated subsidiary of Tally Ltd during the whole of the reporting period.

18. Related parties

Key management personnel

As at the 30 June 2020 year end, there were no key management personnel employed by the Group who were not a Director (2019: 1).

Directors' remuneration and interests

2020	Remuneration			Interests	
Director	**Cash-based payments** £	**Share-based payments** £	**Totals** £	**Shares** No.	**Options** No.
Cameron Parry* (Chief Executive Officer)	131,000	-	131,000	33,795,988	10,000,000
Ralph Hazell	66,667	-	66,667	30,941,455	-
Hanuma Prasad	6,877	-	6,877	-	-
Michael Joseph**	-	-	-	53,525,000	-
Michael Corcoran	-	-	-	454,546	-
	204,544	-	204,544	118,716,989	10,000,000

* Cameron Parry invested cash of £50,000 during the financial year for 3,333,333 new ordinary shares and 3,333,333 IPO warrants (2019: cash invested £90,000).

** Michael Joseph invested cash of £75,000 during the financial year for 5,000,000 new ordinary shares and 5,000,000 IPO warrants.

Michael Corcoran is to be paid £45,000 in shares for the 18-month period to Dec 2019 that he acted as NED, contingent upon, and only in the event of, the Company relisting on a recognised investment exchange, calculated at the IPO price per share.

Michael Joseph is to be paid £35,000 in shares for the 14-month period to Dec 2019 that he acted as NED, contingent upon, and only in the event of, the Company relisting on a recognised investment exchange, calculated at the IPO price per share.

18. Related parties (Cont'd)

Directors' remuneration and interests (Cont'd)

2019	Remuneration			Interests	
Director	Cash-based payments	Share-based payments	Totals	Shares	Options
	£	£	£	No.	No.
Cameron Parry* (Chief Executive Officer)	180,000	-	180,000	30,462,655	10,000,000
Ralph Hazell	80,000	-	80,000	30,941,455	-
Hanuma Prasad	23,888	-	23,888	-	-
Michael Corcoran=	-	-	-	454,546	-
Michael Joseph#	-	-	-	48,525,000	-
David Price	-	-	-	500,000	-
	283,888	-	283,888	110,883,656	10,000,000

* Cameron Parry invested cash of £90,000 during the financial year for new ordinary shares, including the exercise of 5 million warrants on 29 June 2018 (2018: cash invested £90,412).

No new options were issued during the year (2019: nil). Hanuma Prasad's 1,800,000 options and former Director Luke Cairns remaining 2,000,000 options expired without exercise on 31 December 2019. The Board resolved to extend the expiry date of Cameron Parry's existing 10,000,000 options, exercisable at 2.2p each, to 31 December 2022 subject to only being capable of exercise from the date the Company's shares recommence trading on a recognised investment exchange. No options were exercised during the year (2019: nil).

Transactions with other related parties

On 29 July 2019, Mike Joseph made available an unsecured drawdown facility of £400,000 that had a facility fee of £50,000 (12.5%) payable on commencement for the period up to 12 months and that subsequently attracted an annual facility fee on the anniversary of the commencement calculated as 12.5% on any remaining balance including fees. The facility was fully drawn down in two tranches; £250,000 on 29 July 2019 and £150,000 on 5 December 2019. The total amount outstanding under this loan facility as at 30 June 2020 of £450,000 comprised the principal of £400,000 and facility fee of £50,000. On 30 November 2020 the unsecured loan of £400,000 together with the total facility fees applicable of £106,250 was repaid to Mike Joseph and the drawdown facility cancelled.

First Equity Limited is an FCA-licensed London Stockbroking firm, established 1987, FCA Ref. No. 124394. Tally Ltd CEO and Founder, Cameron Parry, owns more than 25% and less than 50% of First Equity Limited and he is Joint-CEO and an FCA approved person with the firm, FCA Ref. No. CJP01234. During the year First Equity Limited was engaged to assist with the £655,000 capital raise Tally Ltd conducted in July 2019 and was paid £31,800 for those capital raising services.

Geomysore is a related party, as the Group holds a 21.35% equity investment in this entity (2019: 21.44%) (see note 8) as at the reporting date. During the year, the Company provided no additional funding to Geomysore (2019: £96,000). There were no amounts outstanding as at 30 June 2020 (2019: nil). No other transactions occurred during the year.

Kalevala is a related party by way of it being an associate of the Group. During the year, the Company provided no additional funding to Kalevala (2019: £27,002). No other transactions occurred during the year.

19. Contingent liabilities

Directors fees totalling £45,000 and £35,000 in shares are payable to Michael Corcoran and Michael Joseph respectively, contingent upon the Company relisting on a recognised investment exchange. This amount has not been recognised in the financial statements as the certainty and timing of any listing is unknown as at the year end.

20. Subsequent events

Post balance date Tally Ltd raised £311,300 at 2p per share increasing the total shares on issue to 648,122,781 at the date of this report, representing a company valuation of £13m. The Company also completed the sale of an additional £1,895,069 (net of costs) of its Railsbank shares, returning in total (with the £500,000 received in January 2020) nearly double Company's initial cash investment of £1,271,000 made in February 2018, and seeing the Company still holding nearly half of its original shares acquired.

Opinion

We have audited the consolidated financial statements of Tally Ltd for the year ended 30 June 2020 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion:

- the financial statements give a true and fair view of the state of the group's affairs as at 30 June 2020 and of its profit for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- the financial statements have been prepared in accordance with the requirements of the Companies (Guernsey) Law 2008.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 1.3 in the financial statements, which indicates that the Group incurred operating cash outflows of £472,319 (2019: outflow of £629,336), has net current liabilities and currently has no significant source of revenues. The Group is reliant on additional capital funding either through the exercise of options and warrants, the issue of new ordinary shares and divestment of its non-core assets. Furthermore, the ongoing economic uncertainty of the Covid-19 pandemic could impact the ability of the Group to raise new funds in a timely manner. As stated in note 1.3, these events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the group and company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Other information

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the 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 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 in the 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.

Opinions on other matters prescribed by the Companies (Guernsey) Law 2008

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the chief executive officer's report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the chief executive officer's report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and its environment obtained in the course of the audit, we have not identified material misstatements in the chief executive officer's report or the directors' report.

We have nothing to report in respect of the following matters where the Companies (Guernsey) Law 2008 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit report only.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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 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 Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 (UK) 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 financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Section 262 of the Companies (Guernsey) Law 2008. 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.

David Thompson (Senior statutory auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor

15 Westferry Circus
Canary Wharf
London E14 4HD

4th March 2021