Tally Ltd (formerly Lionsgold Limited)

Annual Report and Financial Statements

For the Financial Year Ended

30 June 2019

Table of contents

Directors, Company Secretary and Advisors

Directors:

Cameron Parry (Chief Executive Officer)
Hanuma Prasad (Non-Executive Director – resigned 30 September 2019)
David Price (Non-Executive Chairman – resigned 13 July 2018)
Michael Corcoran (Non-Executive Director and Interim Chairman - appointed 13 July 2018 – resigned 30 December 2019)
Michael Joseph (Non-Executive Director – appointed 9 November 2018)
Ralph Hazell (appointed 30 December 2019)

Registered Office of the Company
Channel House
Forest Lane
St Peter Port,
Guernsey GY1 4HL

UK Office
22 NW Works
135 Salusbury Road
London
NW6 6RJ

Company Secretary and Corporate Services
Weighbridge Trust Limited
PO Box 182
Channel House, Forest Lane
Guernsey GY1 4HL

Guernsey Counsel to the Company
Collas Crill
Glategny Esplanade
St Peter Port
Guernsey GY1 4EW

Broker
Smaller Company Capital Limited
4 Lombard Street
London EC3V 9HD
United Kingdom

Registrars
Computershare Investor Services (Guernsey) Limited
c/o Queensway House, Hillgrove Street
St. Helier
Jersey JE1 1ES

Independent Auditor
PKF Littlejohn LLP
Statutory Auditor
15 Westferry Circus
Canary Wharf
London E14 4HD
United Kingdom

Accountants
The Offshore Group
Fairbairn House,
Rohais
St. Peter Port
Guernsey
GY1 1FE

Company's website:
www.tallymoney.com

I am pleased to provide the following report to the Shareholders of Tally Ltd (formerly named Lionsgold Limited) for the financial year 1 July 2018 to 30 June 2019.

During calendar years 2017 and 2018, the Company's financial technology vision continued to evolve beyond designing an asset-based challenger currency, and into a full-reserve banking platform and standalone monetary system. The initial (proof-of-concept) Tally® banking app was released for UK residents on 10 June 2019 and solidified the Company's strategic transition to be a digital Non-Bank Financial Institution ("NBFI") and money innovator.

Tally® is a category creator and potential disruptor to the digital banking space. Tally® uses physical gold, held outside of the banking system, as an anchor to an accountable money supply that operates seamlessly with the existing global banking infrastructure through individually issued banking accounts (and contactless debit cards). Tally® is the name of the unit of currency and the banking platform. 1 Tally® = 1 milligram of physical gold, ethically sourced and securely vaulted in Switzerland, with platform operations and development in London. As Tally® is tied to the global gold price, the value of Tally® is protected from inflation, bank lending risk and insulated from economic and political uncertainty; whilst keeping the convenience and familiarity of an everyday bank savings account. Important to note, Tally® is not a cryptocurrency. It is a new category of money.

"Tally" is a real word that is both a noun and a verb, that refers to a unit, a ledger, a measurement of account and the action to count up, to correspond and to agree. It is still used in the modern vernacular and can be used in the singular or plural form, as a unit of one, or a group of many. All of these factors made it congruent with a real (tangible) asset currency, and with the potential to be mass adopted and understood as money like the words: dollar, pound and euro.

Tally® delivers choice. Consumers may use Tally® or opt for their local fiat currency (or hold both), but now they have an alternative money available for savings, travelling and everyday banking.

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

Board changes during the period

On 13 July 2018, Mr David Price resigned as Non-Executive Chairman and Mr Michael Corcoran was appointed as Non-Executive Director and Interim Chairman. On 9 November 2018, Mr Michael Joseph was appointed to the board as Non-Executive Director.

Subsequent to the year-end, Dr Hanuma Prasad (30 September 2019) and Mr Michael Corcoran (30 December 2019) resigned as Non-Executive Directors. On 30 December 2019, Mr Ralph Hazell (Chief Platform Officer) was appointed as an Executive Director.

Key financials

The loss after tax for the year was £408,593 compared to £865,907 for the year to June 2018.

As at 30 June 2019, the Group's cash balances were £99,230 (2018: £195,757).

The Company started the financial year (1 July 2018) with 512,459,296 shares in issue. During the financial year, the Company received exercise notices for 56,181,818 warrants issued from past placings at an exercise price of 1.2p and 2.2p per share respectively, raising £756,000. Additionally, 20,000,000 shares were allotted with respect to warrants exercised in June 2018. After taking into account these movements, the total shares in issue as at the balance sheet date was 588,641,114.

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

Outlook

Tally Ltd released its proof-of-concept ("POC") banking app in June 2019. Subsequent to its launch, the platform has been redesigned and the product rebuilt for better robustness, scalability and functionality development. Version 2.0 was released to the UK on 27 January 2020. The platform now incorporates best-in-class KYC, AML and fraud prevention processes. And Tally® banking accounts are connected to the UK Faster Payments and EU SEPA networks. The backend architecture of the banking platform has also now been redesigned and a new back end is currently being completed to enhance scalability, security, processing speed and development capability.

As a category creator (a new form of money that is not a fiat currency, nor a cryptocurrency) the Company has had to methodically test its messaging and positioning since release of its POC app. Following release of App 2.0 the Company initiated multiple pre-planned marketing strategies with a limited budget and in mid-February an important moment occurred.

Over the 19th and 20th of February, there were more than 7,000 downloads of the Tally® App 2.0 and customer numbers jumped from the prior base of approximately 1,500 accounts, to over 5,000 within two days. Tally's App also achieved a top 10 ranking of finance apps, between Monzo® and Revolut®. This demonstrated the potential for viral customer growth.

The volume of demand for the particular promotion was so great that the Company turned off the offer after 30 hours, to manage its cash resources and to monitor new customer behaviour and analyse customer retention and account usage. It was also a great test of the robustness and capacity of Tally's product frontend, platform backend, and our integrated technology partners.

Tally Ltd is now at the stage where it has delivered its innovative banking proposition as a scalable product, connected the UK Faster Payments Network with best-in-class compliance, and Tally Ltd has evidenced rapid uptake of its retail banking offering in its inaugural jurisdiction. The Company's focus is now on monetising its non-core non-current assets and raising new equity capital to apply to customer growth, adding jurisdictions, ongoing tech development and expanding operations.

The COVID-19 coronavirus disease has understandably caused worldwide concern and uncertainty, and it is having a severe impact on the economy generally. This has created some unexpected challenges for Tally Ltd growing its business, such as a tightening of the global physical gold supply, and the fact Tally Ltd is funded in the early stages primarily through investment capital, including a corporate strategy that includes listing the Company's shares on a public stock market. Tally has implemented its business continuity plan to ensure the smooth operation of its full reserve banking platform during this pandemic. We are fortunate that as a digital NBFI most of Tally's business activities are carried out digitally, and with the necessary technology put in place, this has enabled our team to work remotely without disrupting services for our customers.

Regardless of where they are working from, the Tally Ltd team is well-organised and will continue to provide access to Tally® and support our customers' needs. And we are aware that Tally Ltd delivers an important product that is likely to grow in need for many people as the financial effects of the coronavirus and central bank countermeasures are increasingly felt.

Tally® has been developed by the people, for the people. As part of the democratisation of money, Tally Ltd aims to give the public access to the equity of the Company as a publicly trading stock. As part of the development of Tally's multi-jurisdictional B2B2C model and in the lead up to seeing the Company's shares admitted to trading, the Board is expected to be further augmented along with the operational team.

On behalf of the Board I would like to thank all of our shareholders for their patience as the Company has transformed into a money innovator and NBFI, delivering asset-based money and full-reserve banking that the mainstream public can use for their savings and spending, at home and abroad.

Cameron Parry
Chief Executive Officer
27 April 2020

Board of Directors

Cameron Parry (aged 45) (Chief Executive Officer)

Cameron Parry is a serial innovator and chief executive of quoted public companies in both the fintech and mining sectors. He is the co-founder of the Tally® full-reserve banking platform and asset-based currency and was the founder of 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) – the world's first blockchain fintech company to list on a recognised investment exchange (Dec 2015). He is also Joint-CEO and major shareholder of 33-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 Joseph (aged 48) (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 and commenced trading in 2008 which has grown year on year, now employing circa 400 people, with over 300,000 customers currently, and in its full year financials ending 31 December 2018, had turnover of approximately £28m generating £7.5m in earnings before tax for the 12-month period.

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 over £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).

Ralph Hazell (aged 48) (Executive Director)

Ralph Hazell is co-Founder of the Tally® full-reserve banking platform. He is a director of Tally Ltd's UK-incorporated wholly owned subsidiary TallyMoney Ltd and its subsidiary company, The Real Asset Co. Limited.

Mr Hazell's background includes being a trader and market maker in the fixed income and commodity markets. He was a founding partner of Jebel Tariq Trading in Dubai, which was the first company to automate market making in gold futures on the DGCX (Dubai Gold and Commodities exchange). He was the founder of MoneySwap, a P2P currency exchange, which ended up being listed on AIM in 2011. He is co-Founder of The Real Asset Company - an online retail gold and silver exchange for individuals to conveniently trade and hold gold - and is the author of "The Decentralised Renaissance - how the reinvention of money will kickstart a new economic and cultural era".

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 2019 and the independent auditor's report thereon.

Performance review

The Group made a total comprehensive loss of £399,040 during the year ended 30 June 2019 (2018: total comprehensive loss of £832,272).

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 B2B 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 July 2019, the Company raised £655,000 through the placing of 43,666,667 new ordinary shares at 1.5p per share (of which Directors Mr Cameron Parry and Mr Michael Joseph contributed £50,000 and £75,000 respectively). Additionally, 47,200,000 warrants for new ordinary shares were issued, each exercisable at 150% of the Company's Initial Public Offering (IPO) price with a term of two years from the IPO. Following the placing, the total number of shares in issue increased to 632,307,781.

In January 2020 the sale of approximately one-quarter of the Company's shareholding in Railsbank Technology Ltd was completed for £500,000.

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.

In the first quarter of calendar year 2020, the coronavirus pandemic swept the globe and has disrupted global markets and economies the world over. Aside from the tragic loss of life already and in future due to the COVID-19 disease, this unprecedented event and the ongoing paradigm-shift to people's working environment and limited social behaviour will raise unforeseen challenges for businesses.

Tally Ltd will need to be able to adapt to this changing environment, however it is fortunate the Company is digitally native and operates in an industry that should continue to develop during these times. The two components of Tally's offering that requires physical application are: (a) relying on a service provider for the moving of physical gold (as and when required), and (b) for the production and mailout of physical Tally® debit Mastercards. The Board considers that both of these elements are manageable and are not expected to cause disruption. It is possible a lack of global supply of physical gold may curtail the speed of expansion of the Tally® monetary supply, but in that situation the value of the total Tally® in circulation will likely be increasing in value against the local fiat currency (e.g. pounds sterling, euros, dollars), and demand can be fulfilled, albeit with some possible delay in converting new deposits into Tally®. As far as printing and posting physical cards, if needed, Tally Ltd could work with its technology partners to offer the Tally® debit card to be accessed on people's smartphones through Apple Pay® and Google Pay®.

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

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 2019 (2018: nil).

Directors' remuneration and interests

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	-	283,333	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).
[=] Michael Corcoran is to be paid £30,000 in shares for the financial year 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 £20,000 in shares for the financial year contingent upon, and only in the event of, the Company relisting on a recognised investment exchange, calculated at the IPO price per share.

In July 2018, Cameron Parry was issued with 5,000,000 shares from the exercise of 5,000,000 1.2p warrants and in December 2018 Cameron Parry exercised a further 2,500,000 1.2p warrants to subscribe for 2,500,000 New Ordinary Shares. In December 2018 Ralph Hazell exercised 1,000,000 1.2p warrants to subscribe for 1,000,000 New Ordinary Shares. In connection with these warrants exercised, the Company advanced short-term loans to Cameron Parry and Ralph Hazell of £90,000 and £18,000 respectively during the financial year. These loans bore interest at a rate of 2.5%. The loans were fully repaid by 30 June 2019.

In October 2018 Michael Joseph exercised 22,125,000 1.2p warrants to subscribe for 22,125,000 New Ordinary Shares and in December 2018 exercised 20,000,000 1.2p warrants for 20,000,000 New Ordinary Shares.

2018	Remuneration			Interests	
Director	Cash-based payments	Share-based payments	Totals	Shares	Options
	£	£	£	No.	No.
Cameron Parry* (Chief Executive Officer)	175,500	-	175,500	27,962,655	10,000,000
Luke Cairns	24,000	-	24,000	-	2,000,000
Hanuma Prasad	36,378	-	36,378	-	1,800,000
David Price	14,000	4,000	18,000	500,000	-
	249,878	4,000	253,878	28,462,655	13,800,000

* Cameron Parry invested cash of £90,412 during the 2018 financial year for new ordinary shares (2017: £110,000 being £55,000 invested cash and £55,000 in new shares in lieu of cash salary).

No new options were issued during the year (2018: nil). Hanuma Prasad's 1,800,000 options and 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 (2018: 6,000,000 options were exercised for proceeds of £132,000).

The above remuneration relates to Tally Ltd Directors only. The Key Management Personnel remuneration disclosed in Note 17 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 £20,475 in professional and consultancy fees from Geomysore during the year to 30 June 2019 (2018: £35,417).

Results for the year and financial position as at 30 June 2019

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.

Statement of Directors' responsibilities (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 is currently revenue generated through the subscription-model monthly account-keeping fees of its retail banking account offering. The Group has incurred net operating cash outflows for the year ended 30 June 2019 of £629,336 (2018: outflow of £623,349). At 30 June 2019, the Group had cash and cash equivalents of £99,230 (2018: £195,757) and net current liabilities (current assets, including cash, less current liabilities) of £283,249 (2018: net current assets of £336,020).

Tally Ltd completed 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. In January 2020, the Company completed the sale of one-quarter of its shareholding in Railsbank Technology Ltd for £500,000.

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. Concurrent to pursuing new equity capital, the Company is investigating opportunities for the monetisation of its non-core non-current assets, being equity interests in gold exploration companies in India and Finland, and selling part or all of the balance of its Railsbank shareholding. The impact of Covid-19 on these future capital injections is unknown and discussed further in note 1.3.

On behalf of the Board

Cameron Parry - Director
27 April 2020

Tally Ltd and its controlled entities
Consolidated Statement of Comprehensive Income
for the year ended 30 June 2019

	Note	Group 2019 £	Group 2018 £
Continuing operations			
Revenue		36,420	40,802
Administrative expenses		(1,173,780)	(744,992)
Loss from operating activities		(1,137,360)	(704,190)
Finance income		1,445	43
Finance costs		(5,645)	(3,483)
Net financing costs	4	(4,200)	(3,440)
Share of loss of associate	8	(66,889)	(116,220)
Loss on disposal of associate		-	(42,057)
Gains on investments at fair value through profit or loss	8,9	799,856	-
Loss before tax		(408,593)	(865,907)
Income tax	5	-	-
Loss for the year		(408,593)	(865,907)
Other comprehensive loss			
Items that may be reclassified subsequently to profit or loss			
Foreign exchange translation		9,553	33,635
Total comprehensive loss for the year		(399,040)	(832,272)
Basic and diluted earnings per share (p)	14	(0.07)	(0.24)
Loss attributable to:			
Owners of the parent		(408,593)	(851,363)
Non-controlling interest		-	(14,544)
		(408,593)	(865,907)
Total comprehensive loss attributable to:			
Owners of the parent		(399,040)	(817,728)
Non-controlling interest		-	(14,544)
		(399,040)	(832,272)

The notes on pages 17 to 42 are an integral part of the consolidated financial statements.

Tally Ltd and its controlled entities
Consolidated Statement of Financial Position
as at 30 June 2019

	Note	Group 2019 £	2018 £
Non-current assets			
Intangible assets	6	741,215	405,159
Tangible assets	7	12,943	-
Investments at fair value through profit or loss	8	2,062,715	1,270,997
Investment in associates accounted for using the equity method	8	3,955,330	3,899,218
Total non-current assets		6,772,203	5,575,374
Current assets			
Financial assets at fair value through profit or loss	9	27,644	60,847
Trade and other receivables	10	78,054	214,003
Cash and cash equivalents		99,230	195,757
Total current assets		204,928	470,607
Total assets		6,977,131	6,045,981
Current liabilities			
Trade and other payables	11	488,177	134,587
Total current liabilities		488,177	134,587
Total net assets		6,488,954	5,911,394
Equity			
Share capital	13	-	-
Share premium	13	29,394,063	28,375,551
Reserves	13	264,030	296,389
Accumulated losses	13	(23,169,139)	(22,760,546)
Total equity		6,488,954	5,911,394

These financial statements were approved by the Board of Directors on the 27 April 2020 and were signed on its behalf by:

Cameron Parry
Director

The notes on pages 17 to 42 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

	Attributable to owners of the parent								
	Share capital	**Share premium**	**Share based payment reserve**	**Foreign exchange translation reserve**	**Shares to be issued reserve**	**Accumulated losses**	**Total**	**Non-controlling interest**	**Total equity**
	£	£	£	£	£	£	£	£	£
Balance at 30 June 2018	**-**	**28,375,551**	**36,925**	**19,464**	**240,000**	**(22,760,546)**	**5,911,394**	**-**	**5,911,394**
Loss for the year	-	-	-	-	-	(408,593)	(408,593)	-	(408,593)
Other comprehensive loss – foreign exchange translation	-	-	-	9,553	-	-	9,553	-	9,553
Total comprehensive loss for the year	-	-	-	9,553	-	(408,593)	(399,040)	-	(399,040)
Issue of shares	-	756,000	-	-	235,000	-	991,000	-	991,000
Cost of issue	-	(14,400)	-	-	-	-	(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	-	976,600
Balance at 30 June 2019	**-**	**29,394,063**	**13**	**29,017**	**235,000**	**(23,169,139)**	**6,488,954**	**-**	**6,488,954**

The notes on pages 17 to 42 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 2018

	Attributable to owners of the parent								
	Share capital	Share premium	Share based payment reserve	Foreign exchange translation reserve	Shares to be issued reserve	Accumulated losses	Total	Non-controlling interest	Total equity
	£	£	£	£	£	£	£	£	£
Balance at 30 June 2017	**-**	**24,588,942**	**61,914**	**(14,171)**	**-**	**(20,678,814)**	**3,957,871**	**-**	**3,957,871**
Loss for the year	-	-	-	-	-	(851,363)	(851,363)	(14,544)	(865,907)
Other comprehensive loss - foreign exchange translation	-	-	-	33,635	-	-	33,635	-	33,635
Total comprehensive loss for the year	-	-	-	33,635	-	(851,363)	(817,728)	(14,544)	(832,272)
Issue of shares	-	3,790,409	-	-	240,000	-	4,030,409	-	4,030,409
Cost of issue	-	(3,800)	-	-	-	-	(3,800)	-	(3,800)
Acquisition of non-controlling interest	-	-	-	-	-	(1,255,358)	(1,255,358)	(94,250)	(1,349,608)
Disposal of non-controlling interest	-	-	-	-	-	-	-	108,794	108,794
Exercise of warrants	-	-	(24,989)	-	-	24,989	-	-	-
Total contributions by and distributions to owners	-	3,786,609	(24,989)	-	240,000	(1,230,369)	2,771,251	14,544	2,785,795
Balance at 30 June 2018	**-**	**28,375,551**	**36,925**	**19,464**	**240,000**	**(22,760,546)**	**5,911,394**	**-**	**5,911,394**

The notes on pages 17 to 42 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 2019

	Note	2019	2018
		£	£
Cash flows from operating activities			
Loss for the year		(408,593)	(865,907)
Adjustments for:			
Depreciation		534	-
Amortisation		260	-
Share based payment		-	44,000
Share of loss of associate		66,889	116,220
Loss on disposal of associate		-	42,057
Fair value movement on financial assets		(791,718)	653
Net financing charge		4,200	3,440
Foreign exchange variances		9,553	-
Operating loss before changes in working capital and provisions		(1,118,875)	(659,537)
Change in trade and other receivables		135,949	7,661
Change in trade and other payables		353,590	28,527
Net cash used in operating activities		(629,336)	(623,349)
Cash flows from investing activities			
Net financing charge		(4,200)	(3,440)
Funds movement in term deposit account		-	71,435
Acquisition of subsidiaries net of cash acquired		-	(173,216)
Payments to investments in associates	8	(123,001)	(643,429)
Acquisition of investments		-	(1,270,997))
Acquisition of intangible assets	6	(336,316)	(226,440)
Acquisition of tangible assets	7	(13,477)	-
Acquisition of financial assets at fair value	9	-	(61,500)
Disposal of financial assets at fair value	9	33,203	-
Net cash used in investing activities		(443,791)	(2,307,587)
Cash flows from financing activities			
Proceeds from the issue of shares		991,000	2,636,800
Cost of issue		(14,400)	(3,800)
Net cash from financing activities		976,600	2,633,000
Net decrease in cash and cash equivalents		(96,527)	(297,936)
Foreign exchange on cash balances		-	-
Cash and cash equivalents at 1 July		195,757	493,693
Cash and cash equivalents at 30 June		99,230	195,757

The notes on pages 17 to 42 are an integral part of the consolidated financial statements

INDEX TO NOTES TO THE FINANCIAL INFORMATION

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 2019, 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 at fair value through profit or loss
- Investment in associate has been 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 Groups 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, and interest income. The Group has incurred net operating cash outflows for the year ended 30 June 2019 of £629,336 (2018: outflow of £623,349). At 30 June 2019, the Group had cash and cash equivalents of £99,230 (2018: £195,757) and net current liabilities (current assets, including cash, less current liabilities) of £283,249 (2018: net current assets of £336,020).

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 developing situation.

1. Accounting policies (Cont'd)

1.3 Going concern (Cont'd)

Tally Ltd completed 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. In January 2020 Tally Ltd completed the sale of circa 25% of its shares held in Railsbank Technology Ltd for £500,000. It is anticipated that funds will continue to be generated within the Group through the placing of new ordinary shares and divestment of its non-core assets. The raising of additional capital funds is uncertain and the auditors have made reference to this in their audit report.

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.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date; any gains or losses arising from such remeasurement are recognised in profit or loss.

All subsidiary entities are 100% owned and controlled by the parent entity, Tally Ltd.

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, 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 profit or loss. 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 profit or loss.

Dilution gains and losses arising in investments in associates are recognised in profit or loss.

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 from the point at which the asset is ready for use, over a period of 5 years.

1. Accounting policies (Cont'd)

1.6 Intangible assets (Cont'd)

Trademarks and licences

Trademarks and licences are included in Intangible assets an 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 Income Statement.

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 (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 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.

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.

1. Accounting policies (Cont'd)

1.13 Share based payment arrangements (Cont'd)

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.

1.14 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 fees earned through the legacy online trading platform known as The Real Asset Company and from fees for storing precious metals, through Tally Ltd's wholly owned subsidiary TallyMoney Ltd. Transaction fees are recognised at the date of trade. Storage fees are recognised in the accounting period in which the service is provided.

1.15 Expenses

Operating lease payments
Payments made under operating leases 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.

1.16 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.

1. Accounting policies (Cont'd)

1.16 Taxation (Cont'd)

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.

1.17 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.

1.18 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.

1.19 Adopted IFRS not yet applied

The Group has applied the following standards and amendments for the first time for its annual reporting period commencing 1 July 2018:

- IFRS 9 Financial Instruments;
- IFRS 15 Revenue from Contracts with Customers;
- Classification and Measurement of Share-based Payment Transactions – Amendments to IFRS 2; and
- Annual Improvements 2014-2016 Cycle.

IFRS 15 became effective for the Group as at 1 July 2018. The revenue in the Group is derived from storage charges and transaction fees on the technology platform. There is no material impact on the financial statements as a result of the transition to IFRS 15 as a result of the 'point of sale' recognition or services provided over time.

IFRS 9 uses a single approach to determine whether a financial asset is classified and measured at amortised cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments and the contractual cash flow characteristics of the financial asset. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9, therefore the Group's accounting policy with respect to financial liabilities is unchanged.

The Group completed an assessment of its financial assets and liabilities as at 1 July 2018. The adoption of IFRS did not lead to any changes in the Group's financial statements, with the exception of the classification of non-current equity investments previously held at cost less impairment. These are now held at fair value through profit and loss. These assets are discussed further in note 8.

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.

1. Accounting policies (Cont'd)

1.19 Adopted IFRS not yet applied (Cont'd)

Standard		Effective date
IFRS 16	Leases	1 January 2019
IFRIC 23	Uncertainty over income tax treatments	1 January 2019
IAS 28 (Amendments)	Long-term interests in associates and joint ventures	1 January 2019
Amendments to IFRS 3	Business combinations	*1 January 2020
IAS 1 and IAS 8	Definition of materiality	*1 January 2020

The Directors are continuing to assess the potential impact that the adoption of the standards listed above, including IFRS 16, will have on the consolidated financial statements for the year ended 30 June 2020 however no material impact is expected.

1.20 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);
- 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.

2. Risk management (Cont'd)

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.

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

During the financial year, the Company's financial technology vision evolved beyond designing an asset-based challenger currency, and into a full-reserve banking platform and standalone monetary system. The initial Tally® banking app was released in the UK on 10 June 2019 solidifying the Company's transition to a digital NBFI (non-bank financial institution) and money innovator.

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. Subsequent to 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.

	Gold exploration and production		TallyMoney Ltd		Corporate		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
	£	£	£	£	£	£	£	£
Income	-	-	36,420	40,802	-	43	36,420	40,845
Depreciation and amortisation	-	-	(534)	-	(260)	-	(794)	-
Profit/ (loss) on investments	-	-	8,137	-	791,719	-	799,856	-
Share of loss of associate	(66,889)	(116,220)	-	-	-	-	(66,889)	(116,220)
Intercompany loans forgiven	51,566	-	-	-	-	-	51,566	-
Other reportable segment expenses	54,188	(11,360)	(609,722)	(9,705)	(618,246)	(769,467)	(1,173,780)	(790,532)
Segment result before tax	(12,701)	(127,580)	(567,237)	31,097	171,345	(769,424)	(408,593)	(865,907)
Reportable segment assets	2,955,328	2,963,533	720,599	312,531	3,301,204	2,769,917	6,977,131	6,045,981
Investments in associate	3,367,102	3,320,734	-	-	588,228	578,484	3,955,330	3,899,218
Reportable segment liabilities	(998)	(59,299)	(348,997)	(62,037)	(138,182)	(13,251)	(488,177)	(134,587)

4. Expenses and auditor's remuneration

	2019 £	2018 £
Included in loss for the year are the following:		
Operating lease expense	17,402	28,000
Finance costs	(5,645)	(3,483)
Auditor's remuneration		
Audit of consolidated financial statements	18,000	30,000

5. Income tax

	2019 £	2018 £
Current tax		
Current year	-	-
Deferred tax		
Origination and reversal of temporary differences	-	-
Tax in income statement	-	-

Reconciliation of effective tax rate	**2019 %**	**2019 £**	**2018 %**	**2018 £**
Loss for the year		(408,593)		(865,907)
Total income tax for the year		-		-
Loss excluding income tax		(408,593)		(865,907)
Income tax using the respective domestic rate for the Group	19	(77,632)	19	(164,522)
Non-deductible expenses		22,288		40,348
Current year losses for which no deferred tax asset was recognised		55,344		124,174
Total tax		-		-

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 £9,000 (2018: £8,000), UK tax losses of approximately £116,000 (2018: £9,000) and Mauritian tax losses of approximately £11,000 (2018: £13,000) 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 2018	178,719	226,440	-	405,159
Additions – internal development	-	320,738	15,578	336,316
Balance at 30 June 2019	178,719	547,178	15,578	741,475
Amortisation				
Balance at 1 July 2018	-	-	-	-
Charge for the year	-	-	260	260
Balance at 30 June 2019	-	-	260	260
Net book value at 30 June 2019	178,719	547,178	15,318	741,215
Net book value at 30 June 2018	178,719	226,400	-	405,159

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 development of this platform prior to becoming commercially available 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 will be amortised from the date that it is ready for use.

7. Tangible Assets

Non-current assets	Computer Equipment	Furniture and Fittings	Total
	£	£	£
Balance at 1 July 2018	-	-	-
Additions	5,800	7,677	13,477
Balance at 30 June 2019	5,800	7,677	13,477
Depreciation			
Balance at 1 July 2018	-	-	-
Charge for the year	376	158	534
Balance at 30 June 2019	376	158	534
Net book value at 30 June 2019	5,424	7,519	12,943
Net book value at 30 June 2018	-	-	-

The group estimates the useful life of the computer equipment to be 3 years and furniture and fittings to be 10 years with a zero residual value.

8. Investments

Investments in Associates:

Geomysore Services India Private Limited ("Geomysore"):

Tally Ltd has an equity interest in Geomysore equal to 21.44% (2018: 21.85%). 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.

Tally Ltd's interest decreased during the year to a 21.44% equity interest at the reporting date (2018: 21.85%).

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

	2019	2018
	£	£
Investment in associate		
Opening balance	3,320,734	2,926,054
Investment additions	96,000	427,984
Share of loss in associate	(49,631)	(33,304)
Total	3,367,103	3,320,734

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 £3,367,103 (2018: £3,320,734) 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 Jonnagiri Feasibility Study,
- the price of gold and exchange rates at the reporting date,
- the benchmark valuations of junior and early stage miners on world markets, and
- the further investment by Tally Ltd and other existing shareholders throughout the year.

The audited financial statements of Geomysore for the year ended 31 March 2019, prepared under Indian GAAP, comprised:

Total assets of £13.8m (2018: £12.5m), of which £12.7m (2018: £11.4m) are non-current, £639k are current (2018: £579k) and £464k cash (2018: £521k). Liabilities of £607k (2018: £515k) of which £447k (2018: £433k) are non-current and £160k (2018: £81.5k) are current.

Total income for the year was £43.5k (2018: £11.3k). Geomysore incurred a loss of £64.6k (2018: £77.4k).

8. Investments (Cont'd)

Investments in Associates (Cont'd):

Kalevala Gold Oy:

As at the balance sheet date, Tally Ltd held 32% (30 June 2018: 31%) 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").

The Group has increased its investment stake in Kalevala to 31.81% through further cash investments during the year amounting to €30,000.

Kalevala is 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. Kalevala is accounted for on an equity accounting basis.

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

	2019	2018
	£	£
Investment in associate		
Opening balance	578,484	-
Transfer from investments - other	-	445,955
Investment additions	27,001	215,445
Share of loss in associate	(17,258)	(82,916)
Total	588,227	578,484

The unaudited management accounts of Kalevala Gold Oy for the period ended 30 June 2019, prepared under Finnish GAAP, comprised:

Assets of £74.9k (31 Dec 2017: £65.5k), of which £2.7k (31 Dec 2017: £33.1k) are current assets and £26.8k cash (31 Dec 2017: £26.2k). Liabilities of £54.0k (31 Dec 2017: £46.0k), of which all are current.

Kalevala Gold had no revenue and the total loss incurred for the period ended 30 June 2019, was £53k (31 Dec 2017: £373k). In reviewing the asset for impairment under IAS 36, the Board has had regard to the following with respect to the carrying value of Kalevala:

- good title to key licenses,
- positive results from exploration activities to date,
- further exploration and evaluation expenditure is to be discussed and agreed, but not yet committed.

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

Investments at fair value through profit or loss

Railsbank Technology Limited:

Tally Ltd holds 12.5% (2018 – 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.

	2019	2018
	£	£
Investment at fair value through profit or loss		
Opening balance	1,270,997	-
Investment additions	-	1,270,997
Fair value gains/ (losses)	791,718	-
Total	2,062,715	1,270,997

8. Investments (Cont'd)

Investments at fair value through profit or loss (Cont'd):

Cameron Parry served as a Non-Executive Director of Railsbank for the whole of the reporting period, having been appointed on 12 March 2018 and stepping down post balance date, 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 £2,062,715 (2018: £1,270,997). The asset was held at historical cost but on transition to IFRS as at 1 July 2018, the classification changed to fair value through profit or loss. Other than the reclassification, no adjustment was made on transition as the Directors considered that as at 30 June 2018, the fair value of the asset was equal to the cost due to the proximity of the purchase to that date.

Post balance sheet date, in January 2020, Railsbank concluded a Series A funding round of c$10 million. During this funding round, Tally sold c25% (32,018 shares) of its shareholding in Railsbank for a total cash consideration of $656,369 (£504,899). 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 2019 was £2,062,715, 62% higher than the original investment (at cost). The implied value of the remaining shareholding in Railsbank post acquisition, based on Tally's recent disposal price achieved, is £1,557,716 (compared to cost of £959,875).

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.

9. Financial assets at fair value through profit or loss

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 2. 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 2018	60,847	-	-	60,847
Net additions/(disposals) during the year	(41,340)	-	-	(41,340)
Cost at 30 June	19,507	-	-	19,507
Gains and losses recognised in profit or loss	8,137	-	-	8,137
Fair value at 30 June 2019	27,644	-	-	27,644

9. Financial assets at fair value through profit or loss (Cont'd)

	Fair Value Level 1 £	Fair Value Level 2 £	Fair Value Level 3 £	Fair Value Total £
As at 1 July 2017	-	-	-	-
Additions during the year	61,500	-	-	61,500
Cost at 30 June	61,500	-	-	61,500
Gains and losses recognised in profit or loss	(653)	-	-	(653)
Fair value at 30 June 2018	60,847	-	-	60,847

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

	2019 £	2018 £
Trade receivables	-	39,113
Other receivables	56,825	153,000
Prepayments	21,229	21,890
	78,054	214,003

11. Trade and other payables

	2019 £	2018 £
Trade payables	351,904	74,592
Non-trade payables and accrued expenses	136,273	59,995
	488,177	134,587

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 2019, 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	31.12.19*	0.022
Hanuma Prasad	18.01.17	1,800,000	31.12.19	0.022
Luke Cairns	18.01.17	2,000,000	31.12.19	0.022
		13,800,000		

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 options granted to Hanuma Prasad and Luke Cairns expired on 31 December 2019.

12. Share-based payments and warrants

a) Options (Cont'd)

* 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 £ 2019	Number of options 2019	Weighted average exercise price £ 2018	Number of options 2018
Options issued by Tally Ltd				
Outstanding at the beginning of the year	0.0220	13,800,000	0.0220	19,800,000
Issued during the year	-	-	-	-
Exercised during the year	-	-	0.0220	(6,000,000)
	0.0220	13,800,000	0.0220	13,800,000

As at 30 June 2019, the weighted average remaining contractual life of the options was 2.5 years (2018 - 1.5 years).

b) Warrants

As at 30 June 2019, 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	30.11.2023	0.011
08.11.2017	2,500,000	-	-	2,500,000	30.11.2023	0.022
	5,000,000	**-**	**-**	**5,000,000**		

The warrants issued after 30 June 2017 were attached to the appointment of a global strategy consultant. 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 number and weighted average exercise price of warrants are as follows:

Warrants issued by Tally Ltd	Weighted average exercise price 2019 £	Number of warrants 2019	Weighted average exercise price 2018 £	Number of warrants 2018
Outstanding at 1 July 2018	0.0171	103,690,909	0.0204	106,818,182
Issued during the year	0.0000	-	0.0120	105,875,000
Expired during the year	0.0220	(42,509,091)	-	-
Exercised during the year	0.0135	(56,181,818)	0.0146	(109,002,273)
	0.0165	**5,000,000**	**0.0169**	**103,690,909**

As at 30 June 2019, the weighted average remaining contractual life of the warrants was 4 years and 5 months (2018: 5 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 2018	512,459,296
Issued	76,181,818
In issue at 30 June 2019	588,641,114

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.

As a result of warrants being exercised throughout the year, a total number of 76,181,818 new shares have been issued.

As a result of the above events, the total shares in issue as at 30 June 2019 was 588,641,114 (2018: 512,459,296).

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 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 the year end and is recognised in shares to be issued.

14. Earnings per share

The calculation of basic loss per share at 30 June 2019 was based on the loss of £408,593 (2018: £851,363), and a weighted average number of ordinary shares outstanding of 562,411,475 (2018: 359,562,713), calculated as follows:

	2019	2018
	£	£
Loss attributable to ordinary shareholders	408,593	851,363

Weighted average number of ordinary shares	**Number '000**	**Number '000**
Issued ordinary shares at 1 July	512,459	254,212
Effect of shares issued during the year	49,952	105,351
Weighted average number of shares at 30 June	562,411	359,563

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 loss per share as the effect of exercise would be anti-dilutive. The options have not been included in the determination of the basic loss per share.

	2019 pence per share	*2018 pence per share*
Basic and diluted earnings per share	(0.07)	(0.24)

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 £204,255 (2018: £470,607), 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 2019					
Trade and other payables	488,177	488,177	488,177	-	-
30 June 2018					
Trade and other payables	134,587	134,587	134,587	-	-

(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.

	2019	**2018**
	£	**£**
Cash and cash equivalents - INR	15,995	18,366
Cash and cash equivalents - US$	2,555	8,967
Trade and other payables – INR	(998)	(7,937)
Trade and other payables – US$	(5,296)	(6,073)
	11,856	13,323

The following significant exchange rates applied during the year:

	Average rate 2019	**Reporting date spot rate 2019**	**Average rate 2018**	**Reporting date spot rate 2018**
GBP:INR	91.047247	87.560955	87,6856	90.43112
GBP:US$	1.293729	1.269929	1.347189	1.320646

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 2019 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 2019		
INR (10 percent strengthening)	1,363	-
US$ (10 percent strengthening)	(249)	-
30 June 2018		
INR (10 percent strengthening)	948	-
US$ (10 percent strengthening)	263	-

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 2019 £	 2018 £
Variable rate instruments		
Cash and cash equivalents	99,230	195,757
	99,230	195,757

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.

	2019 **Profit or loss** 100 bp increase	 100 bp decrease	**2018** **Profit or loss** 100 bp increase	 100 bp decrease
Variable rate instruments	£992	£(992)	£1,957	£(1,957)

16. Group entities

	Country of incorporation	Ownership interest 2019	2018
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 ("RASCo"). During calendar years 2017 and 2018, Tally Ltd's financial technology vision was designed and developed by the Company's CEO Cameron Parry and CPO (Chief Platform Officer) Ralph Hazell. Together they created 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.

17. Related parties

Key management personnel

As at the 30 June 2019 year end, there was one key management personnel employed by the Group who was not a Director (2018: 1). This individual became a director in December 2019 and has been included in directors' remuneration below.

Directors' remuneration and interests

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 exercised on 29 June 2018 (2018: cash invested £90,412.80).

⁼ Michael Corcoran to be paid £30,000 in shares for the financial year 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 to be paid £20,000 in shares for the financial year contingent upon, and only in the event of, the Company relisting on a recognised investment exchange, calculated at the IPO price per share.

In July 2018, Cameron Parry was issued with 5,000,000 shares from the exercise of 5,000,000 1.2p warrants and in December 2018 Cameron Parry exercised a further 2,500,000 1.2p warrants to subscribe for 2,500,000 New Ordinary Shares. In December 2018 Ralph Hazell exercised 1,000,000 1.2p warrants to subscribe for 1,000,000 New Ordinary Shares. In connection with these warrants exercised, the Company advanced short-term loans to Cameron Parry and Ralph Hazell of £90,000 and £18,000 respectively during the financial year, to effectively sacrifice part of their cash salary for shares. These loans bore interest at a rate of 2.5%. The loans were fully repaid by 30 June 2019.

In October 2018 Michael Joseph exercised 22,125,000 1.2p warrants to subscribe for 22,125,000 New Ordinary Shares and in December 2018 exercised 20,000,000 1.2p warrants for 20,000,000 New Ordinary Shares.

17. Related parties (Cont'd)

Directors' remuneration and interests (Cont'd)

2018	Remuneration			Interests	
Director	**Cash-based payments**	**Share-based payments**	**Totals**	**Shares**	**Options**
	£	£	£	No.	No.
Cameron Parry* (Chief Executive Officer)	175,500	-	175,500	27,962,655	10,000,000
Luke Cairns	24,000	-	24,000	-	2,000,000
Hanuma Prasad	36,378	-	36,378	-	1,800,000
David Price	14,000	4,000	18,000	500,000	-
	249,878	4,000	253,878	28,462,655	13,800,000

* Cameron Parry invested cash of £90,412 during the 2018 financial year for new ordinary shares (2017: £110,000 being £55,000 invested cash and £55,000 in new shares in lieu of cash salary).

No new options were issued during the year (2018: nil). Hanuma Prasad's 1,800,000 options and 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 (2018: 6,000,000 options were exercised for proceeds of £132,000).

Hanuma Prasad, non-executive director of the Company, received £20,475 in professional and consultancy fees from Geomysore during the year to 30 June 2019 (2018: £35,417).

Transactions with other related parties

Geomysore is a related party, as the Group holds a 21.44% equity investment in this entity (2018: 21.85%) (see note 7) as at the reporting date. During the year, the Company provided additional funding to Geomysore of £96,000 (2018: £427,984). There were no amounts outstanding as at 30 June 2019 (2018: 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 additional funding to Kalevala of £27,002 (2018: £215,445). No other transactions occurred during the year.

18. Contingent liabilities

Directors fees totalling £30,000 and £20,000 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.

19. Subsequent events

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.

As part of this funding round (including warrants to the broker), the Company also issued a total of 47,200,000 warrants for new ordinary shares, each exercisable at 150% of the Company's Initial Public Offering (IPO) price with a term of two years from IPO (IPO Warrants).

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 632,307,781 Ordinary Shares with voting rights attached (one vote per share). There are no shares held in treasury.

Included in the Pre-Series A funds raised set out above, Tally Ltd's CEO, Cameron Parry, invested £50,000 to subscribe for 3,333,333 New Shares (and 3,333,333 IPO Warrants) in the name of Yarramen Corp Limited which is owned by his family trust; and Tally Ltd Non-Executive Director, Mike Joseph, invested £75,000 to subscribe for 5,000,000 New Shares (and 5,000,000 IPO Warrants).

On 30 September 2019, Dr Hanuma Prasad resigned as Non-Executive Director.

On 30 December 2019, Mr Michael Corcoran resigned as Non-Executive Director.

On 30 December 2019, Mr Ralph Hazell was appointed Director.

In January 2020 the sale of approximately one-quarter of the Company's shareholding in Railsbank Technology Ltd was completed for £500,000.

On March 11 2020, the World Health Organisation declared the Covid-19 outbreak to be a pandemic. The expected effects of this on the Company are described in the CEO report. The outbreak of the pandemic in the months after the reporting date is considered to be a non-adjusting event. The unknown length of the outbreak is a source of uncertainty and the Board will continue to monitor events as the situation and its impact develops.

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

Opinion

We have audited the consolidated financial statements of Tally Ltd for the year ended 30 June 2019 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 2019 and of its loss 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 losses of £408,593 (2018: loss of £865,907), 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

27 April 2020