Tally Central Ltd (formerly Tally Ltd)

Annual Report and Financial Statements

For the Financial Year Ended

30 June 2022

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Directors, Company Secretary and Advisors

Directors:

Cameron Parry (Chief Executive Officer)
Michael Joseph (Non-Executive Director)
Alan Davies (Non-Executive Director)
Arun Ranganathan (Executive Director – appointed 10 June 2022)

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I am pleased to provide the following report on the financial year ended 30 June 2022 for Tally Central Ltd ("Tally Central" or "Company"). This was a pivotal period as the Company's scope expanded from its early proof of concept, to building out a developed vision of a MaaS (Money as a Service) platform technology and proof of business.

Tally Central's currency product and UX (user experience) is unique for easy access savings accounts, everyday payments, remittance and retail gold investment. Tally Accounts are the first in the world to have individual customer IBANs (International Bank Account Numbers) and be denominated in a currency that is not issued by a government. Every unit of the currency tally® = 1 milligram of ethically-sourced 1 kilo bars of physical gold from LBMA (London Bullion Market Association) accredited brokers and vaulters. The Company's gold-based full-reserve monetary system works independently to the debt-based fiat-currency banking system, whilst operating seamlessly with its global payments infrastructure.

During the financial year, the Company continued to grow its operational capabilities and headcount which increased costs. Through refinements to the B2C retail pricing model and the macroeconomic backdrop of increasing inflation, the Company saw a significant increase over the second half of the period in customer onboarding, account activation and deposits made. Revenues more than doubled over the period, in part due to the introduction of one-off account activation fees and now recognising the additional revenue stream of margin revenue. The Company is on track to grow revenues at a higher rate post year end. The Company made good progress during the year towards completing negotiations to sell some of its non-current assets to convert into current assets, which are anticipated to complete in the financial year post the reporting period.

In addition to its core business as a Non-Bank Financial Institution and global currency provider, Tally Central owns equity investment shares in three companies: BaaS (Banking as a Service) fintech company Railsbank Technology Ltd ("Railsr"), India's leading private gold exploration company Geomysore Services India Pvt Ltd ("Geomysore"), and Finland gold exploration company Kalevala Gold Oy ("Kalevala"). In the first half of the reporting period Tally Central completed the sale of approximately half of its remaining shareholding in Railsr, injecting net proceeds of £2.75m and increasing Tally Central's total cash return from its original £1.27m investment in early 2018 to over £5 million, with approximately one quarter of the original holding remaining.

During the period, Tally Central entered into an agreement to sell its shareholding in Geomysore to Bombay Stock Exchange-listed Deccan Gold mines Ltd ("Deccan") that, subject to regulatory permissions, would see Tally's investment asset converted into Deccan shares that can be valued mark-to-market. That transaction did not complete, however post year end the two parties have been negotiating new terms for a transaction to complete through a simpler and shorter process that is expected to complete within three months of the date of this report. Tally Central has also been in negotiations with Deccan for the sale of its shares in Finnish gold exploration private company, Kalevala Gold Oy, and those negotiations are ongoing.

Board changes during the period

In line with the Company's increasing need for specialist engineering knowledge at the top level for technology strategy, build and rollout of its platform technology "Teco" (short for Tally EcoSystem), the Company's CTO, Mr Arun Ranganathan, was appointed to the board of Tally Central on 10 June 2022.

Mr Ranganathan joined Tally Central in January 2021 and has over twenty years of experience in digital transformation, SaaS, mobile, banking, and payments, across startups, scale-ups, and large corporates. His previous roles include: CTO at Oakam, CIO at Fuel3D, and Director of Engineering at WEX.

Key financials

The loss after tax for the year was (£3,397,868) compared to a profit of £1,293,549 for the year ending 30 June 2021.

As at 30 June 2022, the Group's cash balances of £175,800 and own gold holdings of £137,183 totalled £312,983 (2021: £253,564).

The Company started the financial year with 668,064,392 shares in issue. Tally issued 68,929,587 new ordinary shares at 2p each during the year increasing the total shares on issue to 736,993,979 representing an indicative company valuation of £14.7m at the end of the period (up 10% from £13.4m as at 30 June 2021). The new issue of shares comprised subscriptions for £60,000 at 2p each for 3m shares, and 3m warrants at 2x the IPO price within three years from IPO date, as part of the end of a capital raising round that commenced prior to the start of the reporting period. In addition, the Company issued 929,587 shares at 2p each worth a total £18,592 to three employees following a cash bonus which was re-invested for these shares. New shares issued during the period included an investment of £1.3m at 2p per share made on 31 December 2021 by Yarramen Corp Limited, a company owned by the family trust of Tally CEO & Founder, Cameron Parry, which was funded by a loan from Tally Central repayable by 31 October 2025 with monthly interest payable calculated at 2% p.a., for the sole purpose of participating in the placing of 65 million shares and 65 million warrants on the same terms and conditions as Tally's other funding round completed during the reporting period. The loan is secured by the total 100,545,988 Tally shares and 600,100 shares in Railsbank Technology Ltd ("Railsbank") held by the CEO and his family trust.

During the reporting year, Tally Central sold 2,724,400 (27,244 pre sub-division) Railsbank shares (30 June 2021 holding: 5,724,400 shares) for a total gross cash consideration of $3,827,638 (£2,746,189) before costs. The price per share achieved on the September 2021 disposal of $1.404947 was 1,112% higher than the original investment cost ($0.1263 post sub-division) in early 2018. The Company still holds 3,000,000 of its original holding of 13,080,000 (post sub-division) shares that, based on the Company's last sale price at a 20% discount, is shown at a current value of £2,107,440.

During the period, Tally Central Ltd entered into an agreement to sell its shareholding in Geomysore Services (India) Pvt Ltd ("Geomysore") to Bombay Stock Exchange-listed Deccan Gold Mines Limited ("Deccan"). However completion did not occur under the initially proposed structure and process. Post year end, Tally Central agreed to sell its shareholding in Geomysore to Deccan for new ordinary shares in Deccan as part of a new transaction and completion is expected to occur within three months of the date of this report. The value of Tally Central Ltd's shares in Geomysore has not been revised in Tally's balance sheet at this stage (see Note 9 for further information).

Tally Central Ltd is in talks with Deccan to acquire its shareholding in Finnish gold exploration company Kalevala Gold Oy and an independent valuation report is currently underway with a view to completing a sale, to be paid for in Deccan shares, within three months of the date of this report.

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

During the period Tally Central continued development of its proprietary platform technology "Teco" as well as releasing a market leading 1-year fixed rate savings product paying 2% p.a. on the GBP value, for the UK market.

Tally Central's AGM was held on 30 December 2021 with all resolutions unanimously passed, including approval of the change of name from Tally Ltd and adoption of new articles of association suitable for a standard listing of the Company on the Main Market of the London Stock Exchange in 2023.

Investment Assets

Extract from the Tally Central Ltd balance sheet as at 30 June 2022

	2022	**2021**
Railsbank Limited	2,107,440	5,770,181
Geomysore Services India Pvt Ltd (shown as held for sale)	3,298,584	3,297,415
Kalevala Gold Oy (shown as held for sale)	594,251	594,251
	6,000,275	**9,661,847**

Outlook

We believe people should be able to hold their money in an everyday account that maintains its value and remains in their control. This is fundamental to individual financial health and promotes savings and productivity in society.

Since the start of 2022, inflation in the UK has climbed by 1% per month on average and as at the date of this report, sits at around 11% (over five-fold the central bank's 2% target). The Bank of England started raising interest rates in an attempt to curb inflation but only at a velocity of a quarter of rising level of inflation and as at the date of this report the official UK bank rate was 3%. Most banks don't pass on the full interest rate to their customers, but even if they did the real interest rate (the CPI inflation rate less the official bank rate) is negative 8%. This is a detrimental environment for savers. Tally offers a standalone full-reserve monetary system using physical asset-based money, that works seamlessly with the fractional-reserve banking system of debt-based fiat money. Tally is leading the evolution of private sector-designed currencies available through everyday banking accounts that is giving consumers, for the first time, a real choice in the quality of money they can use for their savings and everyday payments.

Tally Central Ltd continues to be funded through investment capital and generating returns on its investments. With the injection of £2.73m from the sale of part of Tally's Railsbank shareholding during the financial year (following the approx. £1.9m sold the previous financial year), as at the date of this report Tally has received in cash over four times its original £1.27m investment (completed in February 2018), and it retains circa one quarter of its original shareholding. Since the year end, Tally Central has successfully raised £694,000 in a pre-IPO round. Tally also holds significant gold exploration assets that are both nearing a sale completion to convert them from non-current assets to listed shares that can be marked-to-market as current assets. Concurrent to this process the Company intends to continue to raise capital pre-IPO, as part of completing a standard listing of the Company on the London Stock Exchange in 2023.

On behalf of the Board, I would like to thank shareholders for their ongoing support and patience as we develop Tally Central to be IPO-ready. And I'd like to thank our team at Tally, whose efforts and commitment to our shared mission make Tally's full-reserve monetary system and platform technology a compelling mainstream alternative to fiat currency and the fractional-reserve banking system.

Cameron Parry
Chief Executive Officer
15 December 2022

Board of Directors

Cameron John Parry (aged 48) (Chief Executive Officer)

Cameron Parry is the founder of the tally® physical gold digital currency and asset-based full-reserve monetary system and platform technology. He is a serial innovator and chief executive of quoted public companies who has built numerous start-ups, private and stock market-listed companies across industries including: financial technology, mining & exploration, life sciences and agribusiness.

Mr Parry was the founder and inaugural CEO of natural resources investing company Metal Tiger PLC (LSE: MTR) and co-founder and inaugural Executive Chairman of Coinsilium Group Ltd (NEX: COIN) – which he led to become the world's first blockchain industry company to list on a recognised investment exchange (Dec 2015). He created the vertically integrated gold company Lionsgold (LSE:LION), that evolved to become Tally Central Ltd and he is Joint-CEO and a major shareholder of 36-year-old London Stockbroking firm, First Equity Limited. First Equity is regulated by the Financial Conduct Authority ("FCA" Licence No. 124394) and Mr Parry is an FCA-approved person for relevant control functions (FCA reference number CJP01234).

Michael Paul Joseph (aged 51) (Non-Executive Director)

Michael Joseph is a highly successful entrepreneur and the CEO of Lucida Group, the parent company of Right Choice Insurance Brokers Ltd ("RCIB") which he founded, growing it to over £100m per year premium income and £10m earnings before tax. Under his leadership, the group has acquired a number of best-in-class businesses and now employs over 600 staff, providing insurance to in excess of 500,000 customers annually.

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

Alan John Bruce Davies (aged 52) (Non-Executive Director)

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

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

Arun Ranganathan (aged 47) (Executive Director)

Arun Ranganathan is a driven platform technology developer. His expertise spans digital transformation, SaaS, mobile, banking, and payments and he has worked in start-ups, scale-ups and large corporates, spending years of his career in each of Bangalore, Dublin and London. He holds a double degree from the prestigious Birla Institute of Technology & Science in India.

Mr Ranganathan was formerly Director of Engineering at WEX and was CIO at the Oxford University incubation project that became Fuel 3D. He was also previously CTO at microfinance firm, Oakam, and CTO and co-founder of a start-up targeting motorcycle enthusiasts, where he built a user platform that leveraged facebook technology. Over his career he has gained a unique understanding of synergies and the potential for connectivity between fintech and social media platform services.

Directors' Report

The Directors present their report together with the consolidated financial statements of the Group comprising Tally Central Ltd (previously Tally Ltd) ("the Company") and its subsidiaries for the year ended 30 June 2022 and the independent auditor's report thereon.

Performance review

The Group made a total comprehensive loss of (£3,398,447) during the year ended 30 June 2022 (2021: total comprehensive profit of £1,292,524).

Principal activities and future developments

The Group's principal activity is the provision of an asset-based full-reserve monetary system and platform technology with a physical gold digital currency (tally®). The platform enables the monetary ecosystem to instantly and seamlessly operate with the government-issued fractional-reserve fiat currency through mainstream banking infrastructure and point-of-sale merchant facilities and ATMs. Tally Central Ltd is a global currency provider and the currency tally® is designed for distribution as a B2B2C product as well as offering its own retail everyday accounts operated via the Company's smartphone app and Mastercard® debit card.

Subsequent events

Post year end, Tally Ltd raised an additional £694,000 in a current pre-IPO funding round, at 3p per share, increasing the total shares on issue to 760,127,312 at the date of this report, representing a company valuation based on 3p per share of £22.8m.

A memorandum of understanding was entered into with BSE-listed Deccan Gold Mines Ltd on the 19th of October 2022, whereby Tally has agreed to sell its 810 shares in Kalevala Gold OY to Deccan Gold Mines Ltd, to be paid for by the issuance of new fully paid ordinary shares in Deccan at a value to be confirmed following completion of an independent valuation report. Although there can be no guarantee of a successful completion, the sale is expected to complete by the end of February 2023.

The Company holds 3,000,000 shares in Railsbank Technology Ltd, a UK-based Banking-as-a-Service provider. Post year end, Railsbank completed a Series C equity round with existing shareholders at a discount to their Series B round in 2021, and the carrying value of the Tally's shareholding in Railsbank has been impaired in the financials for the year ended 30 June 2022.

The board of BSE-listed Deccan Gold Mines Ltd has agreed to buy Tally's 260,648 shares in Geomysore Services (India) Pvt Ltd at 1,607 rupees each (a 24% uplift on cost price), to be paid for by the issuance of 12,666,388 new fully paid ordinary shares in Deccan. The transaction is subject to Deccan shareholder approval at an EGM to be held on 23 December 2022 and therefore the value in the balance sheet is unchanged as at the year end.

As part of plans to consolidate the group structure and remove redundant entities, the wholly owned subsidiary of TallyMoney Ltd, The Real Asset Co. Limited, was dissolved on the 9th of August 2022.

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 16.

Directors' Report (Cont'd)

Accounting policies

The accounting policies of the Group as set out on pages 18 to 27 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 2022 (2021: nil).

Directors' remuneration and interests

2022	Remuneration			Interests	
Director	Cash-based payments	Share-based payments	Totals	Shares	Options
	£	£	£	No.	No.
Cameron Parry* (Chief Executive Officer)	172,939	-	172,939	100,545,988	10,000,000
Michael Joseph**	-	-	-	53,525,000	-
Alan Davies***	-	-	-	14,600,000	
Arun Ranganathan	149,243	20,000	169,243	566,087	-
	322,182	20,000	342,182	169,237,075	10,000,000

Refer to section 13 for warrants held by Directors.
* Cameron Parry invested cash of £5,000 during the financial year for 250,000 new ordinary shares and 250,000 IPO warrants (2021: cash invested £30,000). In addition, Yarramen Corp Limited, a company owned by the family trust of Cameron Parry, invested £1.3m at 2p per share, which investment was funded by a loan from Tally, for the sole purpose of participating in the placing of 65 million shares and 65 million warrants. The loan is repayable by 31 October 2025 and interest is charged on the outstanding amount at 2% p.a. and paid monthly.
** Michael Joseph is to be paid £110,000 (including the £80,000 recorded at year end June 2021) in shares for the 44-month period to end of June 2022 that he acted as NED, contingent upon, and only in the event of, the Company relisting on a recognised investment exchange, calculated at the IPO price per share.
*** Alan Davies is to be paid £40,000 (including the £10,000 recorded at year end June 2021) in shares for the 16-month period to end of June 2022 that he acted as NED, contingent upon, and only in the event of, the Company relisting on a recognised investment exchange, calculated at the IPO price per share.

2021	Remuneration			Interests	
Director	Cash-based payments	Share-based payments	Totals	Shares	Options
	£	£	£	No.	No.
Cameron Parry* (Chief Executive Officer)	124,000	-	124,000	35,295,988	10,000,000
Ralph Hazell**	21,333	-	21,333	35,043,836	-
Michael Joseph***	-	-	-	53,525,000	-
Alan Davies****	-	-	-	14,600,000	-
	145,333	-	145,333	138,464,824	10,000,000

* Cameron Parry invested cash of £30,000 during the financial year for 1,500,000 new ordinary shares and 1,500,000 IPO warrants (2020: cash invested £50,000).
** Shares held in the name of Ralph Hazell's wife were transferred during the period into Ralph Hazell's name.
*** Michael Joseph is to be paid £80,000 (including the £35,000 to Dec 2019 recorded at year end June 2020) in shares for the 32-month period to end of June 2021 that he acted as NED, contingent upon, and only in the event of, the Company relisting on a recognised investment exchange, calculated at the IPO price per share.
**** Alan Davies is to be paid £10,000 in shares for the 4-month period to end of June 2021 that he acted as NED, contingent upon, and only in the event of, the Company relisting on a recognised investment exchange, calculated at the IPO price per share.

No new options were issued during the year (2021: nil). No options were exercised during the year (2021: nil). Refer to section 13 for new warrants subscribed for by Directors.

The above remuneration relates to Tally Central Ltd Directors only. The Key Management Personnel remuneration disclosed in Note 19 to the financial statements includes payments to other Key Management Personnel.

Results for the year and financial position as at 30 June 2022

The Consolidated Statement of Comprehensive Income and the Consolidated Statement of Financial Position are set out on pages 12 and 13 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.

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. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

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

Directors' confirmation

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

Going concern

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

The Group's source of operating cash inflows for the financial year are account keeping and joining/activation fees, margin revenue, mastercard interchange revenue and interest income. The Group has incurred net operating cash outflows for the year ended 30 June 2022 of £2,067,839 (2021: outflow of £1,108,753). At 30 June 2022, the Group had cash of £175,800 (2021: £200,680), gold holdings of £137,183 (2021: £52,884) and net current assets (current assets, including cash, less current liabilities) of £3,914,734 (2021: net current assets of £445,714).

Tally Central Ltd conducted a pre-IPO capital raise of £694,000 and is concurrently finalising terms on the sale of two of its non-core non-current assets, being equity interests in gold exploration companies in India and Finland, for shares in a listed entity that can be marked-to-market as current assets and accessed to support working capital requirements if needed. Although there can be no guarantee of a sale being completed or that the Company will be able to raise sufficient capital pre-IPO, the Company has historically generated sufficient working capital periodically through equity capital raises and/or selling assets held for sale, to fund ongoing operations.

On behalf of the Board

Cameron Parry - Director
15 December 2022

Tally Central Ltd and its controlled entities
Consolidated Statement of Comprehensive Income
for the year ended 30 June 2022

	Note	Group 2022 £	Group 2021 £
Continuing operations			
Revenue	10	125,203	59,685
Administrative expenses		(2,817,398)	(1,649,767)
Loss from operating activities		(2,692,195)	(1,590,082)
Finance income	4	13,037	195
Finance costs	4	(30,463)	(71,093)
Net financing costs		(17,426)	(70,898)
Share of loss of associate	8	(13,826)	(30,219)
Fair value adjustment on assets held for sale	8	-	(4,183)
Net (loss)/ gain on investments	8	(930,287)	3,089,935
Gain/(loss) on financial assets at fair value through profit or loss	9	101,407	(30,807)
Impairment of goodwill		-	(178,719)
Profit/(loss) before tax		(3,552,327)	1,185,027
Income tax	5	154,459	108,522
Profit/(loss) for the year		(3,397,868)	1,293,549
Other comprehensive loss			
Items that may be reclassified subsequently to profit or loss			
Foreign exchange translation		(579)	(1,025)
Total comprehensive profit/(loss) for the year		(3,398,447)	1,292,524
Basic earnings/(loss) per share (p)	15	(0.48)	0.20
Diluted earnings/(loss) per share (p)	15	(0.48)	0.18

The notes on pages 18 to 48 are an integral part of the consolidated financial statements.

Tally Central Ltd and its controlled entities
Consolidated Statement of Financial Position
as at 30 June 2022

	Note	Group 2022 £	Group 2021 £
Non-current assets			
Intangible assets	6	1,303,105	1,125,621
Tangible assets	7	25,037	20,637
Right of use asset	17	143,583	59,287
Other receivables	11	1,722,500	-
Investment in associates	8	-	3,297,415
Investments at fair value through profit or loss	8	2,107,440	5,770,181
Total non-current assets		5,301,665	10,273,141
Current assets			
Assets classified as held for sale	8	3,892,835	594,251
Financial assets at fair value through profit or loss	9	137,183	52,884
Trade and other receivables	11	525,356	63,802
Cash and cash equivalents		175,800	200,680
Total current assets		4,731,174	911,617
Total assets		10,032,839	11,184,758
Current liabilities			
Trade and other payables	12	719,057	425,569
Lease liabilities	17	97,383	40,334
Total current liabilities		816,440	465,903
Non-current liabilities			
Deferred Income	12	475,202	-
Lease liabilities	17	50,177	20,880
Total non-current liabilities		525,379	20,880
Total net assets		**8,691,020**	**10,697,975**
Equity			
Share capital	14	-	-
Share premium	14	32,074,279	30,699,730
Reserves	14	21,901	22,480
Share Based Payment Reserve	14	68,295	51,352
Accumulated losses		(23,473,455)	(20,075,587)
Total equity		**8,691,020**	**10,697,975**

These financial statements were approved by the Board of Directors on the 15 December 2022 and were signed on its behalf by:

Cameron Parry
Director

The notes on pages 18 to 48 are an integral part of the consolidated financial statements.

Tally Central Ltd and its controlled entities
Consolidated Statement of Changes in Equity
for year ended 30 June 2022

	Share capital	Share premium	Share based payment reserve	Foreign exchange translation reserve	Shares to be issued reserve	Accumulated losses	Total equity
	£	£	£	£	£	£	£
Balance at 30 June 2021	**-**	**30,699,730**	**51,352**	**22,480**	**-**	**(20,075,587)**	**10,697,975**
Loss for the year	-	-	-	-	-	(3,397,868)	(3,397,868)
Other comprehensive loss - foreign exchange translation	-	-	-	(579)	-	-	(579)
Total comprehensive income for the year	-	-	-	(579)	-	(3,397,868)	(3,398,447)
Issue of shares	-	1,378,592	-	-	-	-	1,378,592
Cost of issue	-	(3,300)	-	-	-	-	(3,300)
Issue of warrants	-	(743)	16,943	-	-	-	16,200
Total contributions by and distributions to owners	-	1,374,549	16,943	-	-	-	1,391,492
Balance at 30 June 2022	**-**	**32,074,279**	**68,295**	**21,901**	**-**	**(23,473,455)**	**8,691,020**

The notes on pages 18 to 48 are an integral part of the consolidated financial statements.

Tally Central Ltd and its controlled entities
Consolidated Statement of Changes in Equity
for year ended 30 June 2021

	Share capital	Share premium	Share based payment reserve	Foreign exchange translation reserve	Shares to be issued reserve	Accumulated losses	Total equity
	£	£	£	£	£	£	£
Balance at 30 June 2020	**-**	**30,017,276**	**-**	**23,505**	**-**	**(21,369,136)**	**8,671,645**
Profit for the year	-	-	-	-	-	1,293,549	1,293,549
Other comprehensive loss - foreign exchange translation	-	-	-	(1,025)	-	-	(1,025)
Total comprehensive income for the year	-	-	-	(1,025)	-	1,293,549	1,292,524
Issue of shares	-	714,133	-	-	-	-	714,133
Cost of issue	-	(25,200)	-	-	-	-	(25,200)
Issue of warrants	-	(6,479)	51,352	-	-	-	44,873
Total contributions by and distributions to owners	-	682,454	51,352	-	-	-	733,806
Balance at 30 June 2021	**-**	**30,699,730**	51,352	**22,480**	**-**	**(20,075,587)**	**10,697,975**

The notes on pages 18 to 48 are an integral part of the consolidated financial statements.

Tally Central Ltd and its controlled entities
Consolidated Statement of Cash Flows
For the year ended 30 June 2022

	Note	2022	2021
		£	£
Cash flows from operating activities			
Profit/(loss) for the year		(3,397,868)	1,293,549
Adjustments for:			
Depreciation	7,17	104,524	44,698
Amortisation	6	465,116	289,540
Share of loss of associate	8	13,826	30,219
Fair value adjustment	8	-	4,183
Fair value movement on investments and financial assets	8,9	828,880	(3,059,128)
Share based payments to consultants / employee	13	16,200	49,873
Net financing charge	4	17,426	70,898
Impairment of goodwill		-	178,719
Foreign exchange variances		(579)	(1,025)
Operating loss before changes in working capital and provisions		(1,952,475)	(1,098,474)
Change in trade and other receivables	11	(884,054)	9,014
Change in trade and other payables	12	768,690	(19,293)
Net cash used in operating activities		(2,067,839)	(1,108,753)
Cash flows from investing activities			
Net financing charge		(17,426)	(70,898)
Acquisition of intangible assets	6	(642,600)	(500,929)
Acquisition of tangible assets	7	(13,203)	(14,624)
Acquisition of financial assets at fair value	9	17,108	(23,104)
Investments in assets classified as held for sale / associates	8	(14,995)	(35,100)
Exceptional costs	8	(13,735)	(28,859)
Disposal of investments at fair value	8	2,746,189	1,923,927
Net cash from investing activities		2,061,338	1,250,413
Cash flows from financing activities			
Proceeds from the issue of shares	14	78,592	573,041
Cost of issue	14	(3,300)	(25,200)
Repayment of loan facility		-	(506,250)
Repayment of lease liabilities	17	(93,671)	(38,507)
Net cash from financing activities		(18,379)	3,084
Net increase/(decrease) in cash and cash equivalents		(24,880)	144,744
Cash and cash equivalents at 1 July		200,680	55,936
Cash and cash equivalents at 30 June		175,800	200,680

Significant non-cash transactions
Yarramen Corp Limited, a company owned by the family trust of Cameron Parry, invested £1.3m at 2p per share, which investment was funded by a loan from Tally and secured by the CEO's total share and warrant holdings in the company, along with his entire holding of Railsbank shares, for the sole purpose of participating in the placing of 65 million shares and 65 million warrants.

The notes on pages 18 to 48 are an integral part of the consolidated financial statements.

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1. Accounting policies

1.1 Reporting entity

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

As at 30 June 2022, the wholly owned subsidiaries of the Company were:

- TallyMoney Ltd
- The Real Asset Co. Limited (dissolved 09.08.22)
- Lionsgold India Holdings Ltd (Mauritius); and
- Kolar Gold Resources (India) Private Limited

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

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

1.2 Measurement convention

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

- Share-based payments are measured at fair value
- Financial assets and investments at fair value through profit or loss
- Assets held for sale, held at the lower of the carrying value or fair value less costs to sell
- Investment in associates measured using the equity accounting method (see note 1.5).

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

1.3 Going concern

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

The Group's source of operating cash inflows for the financial year are account keeping and joining/activation fees, margin revenue, mastercard interchange revenue and interest income. The Group has incurred net operating cash outflows for the year ended 30 June 2022 of £2,067,839 (2021: outflow of £1,108,753). At 30 June 2022, the Group had cash and cash equivalents of £175,800 (2021: £200,680), gold holdings of £137,183 (2021: £52,884) and net current assets (current assets, including cash, less current liabilities) of £3,914,734 (2021: net current assets of £445,713).

Tally Central Ltd conducted a pre-IPO capital raise of £694,000 and is concurrently finalising terms on the sale of two of its non-core non-current assets, being equity interests in gold exploration companies in India and Finland, for shares in a listed entity that can be marked-to-market as current assets and accessed to support working capital requirements if needed. Although there can be no guarantee of a sale being completed or that the Company will be able to raise sufficient capital pre-IPO, the Company has historically generated sufficient working capital periodically through equity capital raises and/or selling assets held for sale, to fund ongoing operations.

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. The auditors have highlighted the requirement for additional funding by way of a material uncertainty paragraph in their audit report.

1. Accounting policies (Cont'd)

1.4 Basis of consolidation

Subsidiaries

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

Transactions eliminated on consolidation

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

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

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

Goodwill represents the excess of the consideration transferred, less the amount of any non-controlling interest in the acquiree over the fair value of the identifiable net assets acquired. All goodwill in relation to historic acquisitions has been written off in prior years.

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.

1.5 Investment in associates

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

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

1.Accounting policies (Cont'd)

1.5 Investment in associates (Cont'd)

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

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

1.6 Intangible assets

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 third party development expenditure. Capitalised development costs are recorded as intangible assets and to date have been amortised on a straight-line basis from the point at which the asset is ready for use, over a period of 5 years. The original platform was put in to use in June 2019 and has been amortised from this date. The new platform (TECO) was put into use from July 2022 (post year end) and will be amortised from this date.

Trademarks and licences

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

1.7 Tangible assets

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

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

Computer Equipment	3 years
Furniture and Fittings	10 years

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

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

1. Accounting policies (Cont'd)

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.

1.9 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.

1. Accounting policies (Cont'd)

1.10 Foreign currency (Cont'd)

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.

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, being gold, is the spot 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.

1. Accounting policies (Cont'd)

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

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 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. Accounting policies (Cont'd)

1.13 Assets held for sale

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

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

When classified as held for sale, the asset is transferred to current assets and valued at the lower of it's carrying amount and fair value less costs to sell. Any fair value movements go through profit or loss. Further details are included in Note 8.

1.14 Share based payment arrangements

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

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

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

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

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

1. Accounting policies (Cont'd)

1.15 Revenue

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

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

Revenue represents account keeping and one-off account activation fees earned through the TallyMoney platform, as well as margin revenue and Mastercard interchange revenue. All fees are recognised in the accounting period in which the service is provided. Margin revenue has been newly recognised for year ended 2022. This is when the Company retains the FX spread through customer deposits coming in that are offset by customer payments going out and is capped at 0.5% (being equal or less than the FX margin Tally incurs on the global gold wholesale market for 1kg bullion bars) of the fiat value they are depositing when buying tally. This revenue is deemed to be recognisable in line with IFRS 15 as a transaction price is applied in exchange for transferring goods and a service (the nature of the business is Money as a Service) through the deposit of fiat currency via the Company's smartphone app and technology platform, the Tally customer's deposits automatically convert to asset-based money in units of tally®, being one milligram of gold each, up to one-hundredth of a tally, in a monetary system designed to protect and benefit the customer as a depositor and saver. The transaction price is attributed to each individual deposit (performance obligation) and the revenue recognised monthly. This policy has not been retrospectively applied due to the change in revenue for year ended 2021 being immaterial and full disclosure under IAS 8 (paragraph 16) has not been included as permitted.

1.16 Expenses

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 loans and 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.

1.17 Taxation

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

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

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

1. Accounting policies (Cont'd)

1.18 Earnings per share

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

1.19 Operating segments

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

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

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

New standards adopted for the first time in the year ended 30 June 2022

No standards or interpretations that came into effect for the first time for the financial year beginning 1st July 2021 have had a material impact on the group.

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.

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

Standard		Effective date
Amendments to IFRS 3	Business combinations	1 January 2022
Amendments to IAS 16	Property, plant and equipment	1 January 2022
Amendments to IAS 37	Provisions, contingent liabilities and contingent assets	1 January 2022
Annual Improvements	Annual improvements 2018-2020 cycle	1 January 2022
Amendments to IAS 1	Presentation of financial statements and IFRS Practice statement 2	1 January 2023
Amendments to IAS 8	Accounting policies	1 January 2023

The Directors are continuing to assess the potential impact that the adoption of the standards listed above, will have on the consolidated financial statements for the year ended 30 June 2023 however no material impact is expected.

1. Accounting policies (Cont'd)

1.21 Use of estimates and judgements

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

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

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

Estimates
- Fair value measurement of options and warrants (Note 13).

1.22 Leases

In accordance with IFRS 16, at the inception of a contract, the group assesses whether the contract is, or contains, a lease. As at the reporting date the group held 2 leases, being the leases for the 2 offices contracted by the group. The group recognizes a right-of-use asset and a corresponding liability for all leases with a term of more than 12 months.

At the commencement date, the group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, or if this rate cannot be readily determined, the group uses its incremental borrowing rate. An incremental borrowing rate is based on what the consolidated entity estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset, with similar terms, security and economic environment. Lease payments included in the measurement of the lease liability comprise fixed lease payments.

The current and non-current lease liabilities are presented as separate entries in the consolidated statement of financial position. After the commencement date, the lease liability is measured by increasing the carrying amount to reflect the interest on the lease liability and by reducing the carrying amount to reflect the lease payments made. The group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever there is a change to the lease term.

The right-of-use-asset comprises the initial measurement of the corresponding lease liability and is entered as a separate line on the consolidated statement of financial position. The right-of-use asset is depreciated over the lease term and measured at cost less accumulated depreciation.
In the statement of comprehensive income, the group presents the interest expense on the lease liability (a component of finance costs) separately from the depreciation charge for the right-of-use asset. Please refer to note 17 for full financial disclosure.

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

2. Risk management (cont'd)

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

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

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

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

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

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

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

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

Currency risk
The Group is exposed to currency risk on cash and cash equivalents, receivables and payables that are denominated in the local fiat currency of each of the Group entities. In order to reduce fiat currency devaluation risk, Tally holds currency primarily in tally® in sufficient amounts to cover expected future outgoings for several months. The Group is therefore exposed to fluctuations in the gold price relative to the relevant local fiat currency. 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 it's MaaS (Money as a Service) operations may see demand affected by adverse changes in the market price of gold.

Operational and regulatory risk
tally® has been developed as an alternative mainstream currency that operates seamlessly with the fiat currencies used in banking. The Company has engaged a regulatory legal specialist firm to opine on the UK jurisdictional landscape and whilst the opinion confirmed that Tally Central 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.

2. Risk management (cont'd)

These risks include access and trading of physical gold, reliance on Railsbank Technology for the banking connectivity, 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 reporting period, Tally continued the early stages of building its proprietary ledger architecture and platform technology "Teco" (an abbrievition of Tally EcoSystem) and development and phasing in of features commenced during the financial year ended 30 June 2022.

At the end of the reporting period, the Company was generating over 40,000 unique visits to its website each month with nearly 10,0000 app downloads per month and onboarding approximately 2,000 customers with circa 25% activating their accounts. Tally in circulation has also been consistently increasing month on month.

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. During the reporting period, the Company 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 Tally Central Ltd had three reportable segments, being the development of the tally® currency and full-reserve monetary system and investment holdings in gold exploration and production activities in the Southern Indian states of Andhra Pradesh and Karnataka, and central Eastern Finland, and a shareholding in BaaS service provider, Railsbank Technology Ltd.

3. Operating segments (cont'd)

	Gold exploration and production		TallyMoney Ltd		Corporate		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
	£	£	£	£	£	£	£	£
Income	-	-	125,203	59,685	-	-	125,203	59,685
Depreciation and amortisation	-	-	(568,082)	(332,680)	(1,558)	(1,558)	(569,640)	(334,238)
Gain / (loss) on investments	-	-	101,209	(209,526)	(930,089)	3,089,935	(828,880)	2,880,409
Share of loss of associate	(13,826)	(30,219)	-	-	-	-	(13,826))	(30,219)
Fair value adjustment on assets held for sale	-	(4,183)	-	-	-	-	-	(4,183)
Intercompany loans forgiven	-	-	-	-	-	-	-	-
Other reportable segment expenses	(6,430)	(4,974)	(1,820,232)	(1,064,442)	(438,522)	(317,011)	(2,265,184)	(1,386,427)
Segment result before tax	(20,256)	(39,376)	(2,161,902)	(1,546,963)	(1,370,169)	2,771,366	(3,552,327)	1,185,026
Tax	-	-	154,459	108,522	-	-	154,459	108,522
Segment result after tax	(20,256)	(39,376)	(2,007,443)	(1,438,441)	(1,370,169)	2,771,366	(3,397,868)	1,293,548
Reportable segment assets	3,896,222	3,900,778	1,521,111	1,388,948	4,615,506	5,895,032	10,032,839	11,184,758
Investments in associate	-	3,297,415	-	-	-	-	-	3,297,415
Assets held for sale	3,892,835	594,251	-	-	-	-	3,892,835	594,251
Reportable segment liabilities	(889)	(501)	(345,831)	(335,800)	(995,099)	(150,482)	(1,341,819)	(486,783)

4. Expenses and auditor's remuneration

Included in profit for the year are the following:	2022 £	2021 £
Finance costs	(30,463)	(71,093)
Auditor's remuneration		
Audit of consolidated financial statements	21,150	18,500
Employees' expenses		
Wages and salaries	921,824	457,396
Employer National Insurance	112,346	48,750
Employer Pension Contributions	11,685	5,083
	1,045,855	511,229
Wages and salaries (inc ENI & pension contributions) capitalised to intangible assets	421,937	331,530

5. Income tax

	2022	2021
	£	£
Current tax		
Research and development tax credit relief refund	(154,459)	(108,522)
	(154,459)	(108,522)
Deferred tax		
Origination and reversal of temporary differences	-	-
Tax credit in income statement	(154,459)	(108,522)

Reconciliation of effective tax rate	**2022**	**2022**	**2021**	**2021**
	%	£	%	£
Profit/(loss) for the year		(3,552,327)		1,293,549
Total income tax for the year		(154,459)		(108,522)
Profit/(loss) excluding income tax		(3,397,868)		1,185,027
Income tax using the respective domestic rate for the Group	19	(674,942)	19	225,155
Non-deductible expenditure		737,933		111,171
Adjustment in respect of prior periods		(154,459)		(108,522)
Movement in deferred tax not recognised		(62,169)		250,287
Other differences		(822)		-
Non-taxable income		-		(303,239)
Utilisation of historic tax losses		-		(283,374)
		(154,459)		(108,522)

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 £16,457 (2021: £15,262), UK tax losses of approximately £3,063,440 (2021: tax losses of £3,406,761) and Mauritian tax losses of £63,652 (2021: £64,297) 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 2021	-	1,548,252	15,578	1,563,830
Additions – internal development	-	642,600	-	642,600
Balance at 30 June 2022	-	2,190,852	15,578	2,206,430
Amortisation				
Balance at 1 July 2021	-	434,833	3,376	438,209
Charge for the year	-	463,559	1,557	465,116
Balance at 30 June 2022	-	898,392	4,933	903,325
Net book value at 30 June 2022	-	1,292,460	10,645	1,303,105

6. Intangible Assets (Cont'd)

Balance at 1 July 2020	178,719	911,231	15,578	1,105,528
Additions – internal development	-	637,021	-	637,021
Impairment	(178,719)	-	-	(178,719)
Balance at 30 June 2021	-	1,548,252	15,578	1,563,830
Amortisation				
Balance at 1 July 2020	-	146,851	1,818	148,669
Charge for the year	-	287,982	1,558	289,540
Balance at 30 June 2021	-	434,833	3,376	438,209
Net book value at 30 June 2021	-	1,113,419	12,202	1,125,621

Tally Central Ltd funded and developed its neobank and full reserve monetary platform with physical asset-based challenger currency, tally®, through its wholly-owned operating subsidiary, TallyMoney Ltd, which is a UK incorporated entity. The platform provides a monetary system and smartphone banking app that allows customers to hold an individual account with IBAN (International Bank Account Number) 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 deposits and payments, for the customer's physical asset. Costs directly attributable to the continued development and enhancement of this platform have been capitalised under IAS 38.

Tally Central Ltd evolved its technology development knowledge and the Chief Technology Officer has led the restructuring of the tech dev team as part of building the CEO's vision for Tally Central Ltd's platform technology as a global currency provider with its standalone monetary system and payments ecosystem. This new platform technology and ledger architecture, called "Teco", has been developed over calendar years 2021 and 2022 and is being implemented in phases from July 2022 and scheduled to be fully implemented around the end of January 2023.

During the course of financial year ending 30 June 2022, Tally focused on growing customer numbers whilst building out its platform technology, operations, treasury and marketing verticals. The Tally business plan shows that Tally's B2B full-reserve monetary system and global currency offering and B2C smartphone neobanking app will generate substantial revenue and gross profit over the next three years. As a result, the Board do not see the need to write down the value the investment due to the anticipated return that will be generated from TallyMoney Ltd as its UK B2C neobank offering.

It is expected that the development resource that has been invested in the Company's predecessor tech build (known as T1) and its mobile phone banking app will continue to have value whilst developing "Teco" (the Company's new inter-ledger technology designed to be multi-tenant and multi-region). Therefore, the intangible value of this T1 platform asset should continue to be amortised over 5 years from 2019 as the development invested still has useful life.

Teco solves limitations persistant within the T1 architecture and brings all of the platform management in-house. More importantly, Teco makes the Tally monetary system agnostic to BaaS (Banking as a Service) and payment card providers so that the Company can forge business and customer relationships in new territories, accept multiple fiat currencies and accept different card and banking providers.

7. Tangible Assets

Non-current assets	Computer Equipment £	Furniture and Fittings £	Total £
Balance at 1 July 2021	20,839	8,309	29,148
Additions	2,175	11,028	13,203
Balance at 30 June 2022	23,014	19,337	42,351
Depreciation			
Balance at 1 July 2021	6,707	1,804	8,511
Charge for the year	7,053	1,750	8,803
Balance at 30 June 2022	13,760	3,554	17,314
Net book value at 30 June 2022	9,254	15,783	25,037
Balance at 1 July 2020	6,215	8,309	14,524
Additions	14,624	-	14,624
Balance at 30 June 2021	20,839	8,309	29,148
Depreciation			
Balance at 1 July 2020	2,365	973	3,338
Charge for the year	4,342	831	5,173
Balance at 30 June 2021	6,707	1,804	8,511
Net book value at 30 June 2021	14,132	6,505	20,637

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

8. Investments

Investments held for sale:

Assets classified as held for sale	2022 £	2021 £
Geomysore Services India	3,298,584	-
Kalevala Gold Oy	594,251	594,251
	3,892,835	594,251

<u>Geomysore Services India Private Limited (“Geomysore”):</u>

Tally Central Ltd has an equity interest in Geomysore equal to 19.17% (2021: 19.21%). Geomysore is an Indian gold exploration company headquartered in Bengaluru (previously named Bangalore) with an extensive portfolio of gold exploration projects including their most developed project being a planned mine development at Jonnagiri in Southern India.

8. Investments (Cont'd)

Investments held for sale (cont'd):

The share subscriptions by Tally Central 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.

During the reporting period, Tally Central Ltd invested INR 1500200 in return for 1154 new shares in Geomysore. Due to new investment received by Geomysore also from another shareholder during the period, Tally Central Ltd's interest decreased slightly during the year to a 19.17% equity interest at the reporting date (2021: 19.21%).

Geomysore has historically been accounted for as an associate because, while Tally Ltd had significant influence over Geomysore, it does not have control. It was accounted for on an equity accounting basis up to December 2021 and thus the share of loss and further investment to this date have been included. From 1 January 2022 the investment has been reclassified to held for sale as Tally Central began progressing towards selling their shares to Bombay Stock Exchange listed company, Deccan Gold Mines Ltd, as part of an M&A. This sale is expected to take place within 12 months of the reporting date. See Note 21, subsequent events, for further details in this regard.

At this stage the valuation ratio to be applied for new shares in Deccan Gold Mines Ltd and existing shares in Geomysore Services (India) Pvt Ltd has not been determined and agreed, however the total value is expected to be in excess of the carrying value. Given this higher value the Board has considered the valuation of its investment in Geomysore and determined that no further impairment assessment is required and thus the lower value, being the carrying value of £3,298,584 (2021: £3,297,415) is the fair value to be applied at year end in accordance with IFRS 5.

The carrying value of the investment is determined as follows:

	2022	2021
	£	£
GMSI - Investment in Associate		
Opening balance	3,297,415	3,327,634
Investment additions	14,995	-
Share of loss in associate	(13,826)	(30,219)
Reclassification to held for sale	(3,298,584)	-
Total	-	3,297,415

	2022
	£
Assets classified as held for sale	
Opening balance	-
Reclassification from investment in associate	3,298,584
Total	3,298,584

The unaudited financial statements of Geomysore for the year ended 31 March 2022, prepared under Indian GAAP, comprised:

Total assets of £15.2m (2021: £13.2m), of which £14.2m (2021: £12.6m) are non-current, £1m are current (2021: £717k) and £310k cash (2021: £62k). Liabilities of £1.8m (2021: £607k) of which £393k (2021: £388k) are non-current and £1.4m (2021: £290k) are current.

Total income for the year was £36.6k (2021: £36.6k). Geomysore incurred a loss of £54k (2021: £54k).

8. Investments (Cont'd)

Investments held for sale (Cont'd):

Kalevala Gold Oy:

As at the balance sheet date, Tally Central Ltd held 31.52% (30 June 2021: 31.52%) 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").

Kalevala has historically been accounted for as an associate due to the percentage holding and due to the fact that Tally Central Ltd, whilst having influence over Kalevala, does not have control and was accounted for on an equity accounting basis until June 2020. Kalevala was classified as held for sale as at June 2021, however the deal contemplated at the time did not reach completion.

As at 30 June 2022, the Company was in advanced negotiations with a different buyer for their investment in Kalevala. The sale of the asset is expected to occur within 12 months of the reporting date and as a result, the investment value is classified as held for sale. In reviewing the asset for impairment under IAS 36, the Board considers there are no indicators for impairment as the expected sale value is higher than the carrying value. The fair value of the investment held for sale as at year end is considered to be the carrying value, being the lower value when compared to the recoverable amount less costs to sell as per IFRS 5. Further detail on the expected sale is included in Note 21, subsequent events.

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

	2022	2021
	£	£
Kalevala - held for sale		
Opening balance	594,251	563,334
Additional investment	-	35,100
Fair value adjustment	-	(4,183)
Total	594,251	594,251

The unaudited management accounts of Kalevala Gold Oy for the period ended 31 December 2021, prepared under Finnish GAAP, comprised:

Assets of £46.3k (31 December 2020: £61.9k), of which £8.1k (31 December 2020: £8.8k) are current assets and £20.2k cash (31 December 2020: £27.6k). Liabilities of £0.4k (31 December 2020: £125k), of which all are current.

Kalevala Gold had no revenue and the total loss incurred for the period ended 31 December 2021, was £16.7k (31 December 2020: £74.3k).

Investments at fair value through profit and loss

Railsbank Technology Limited:

At the balance sheet date Tally Ltd held 1.2% (2021: 2.7%) of Railsbank Technology Limited ("Railsbank"), the provider of a global banking and compliance platform API, that Tally's full-reserve monetary platform operates on. Cameron Parry served as a Non-Executive Director of Railsbank from 12 March 2018 through to 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.

8. Investments (Cont'd)

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

In early 2021 Railsbank conducted a Series B funding round of c$70 million, including oversubscriptions. On completion of the Series B funding round and first close of oversubscriptions (there was a first and second close), each share in the capital of Railsbank was sub-divided into 100 shares of the same class, with the price per share expressed on a post sub-division basis of $1.404947 - being a 20% discount to the new share issue price of the funding round. In the second close, which completion was subject to regulatory approval, Tally sold 2,724,400 (previously would have been 27,244 @ US$140.4947) Railsbank shares for a total cash consideration of US$3,827,637.61 (£2,746,188.58) before costs. The price per share achieved on the 3rd of September 2021 disposal of $1.404947 was 1,112% higher than the original cost ($0.1263 post sub-division) and 233% higher than the price achieved on the November 2021 disposal ($0.6018 post sub-division).

Railsbank Technology carried out a further "Series C" capital raising in Q2/3 2022 whereby the new shares were issued at a price of £0.8781 per share. It is management's view that a per share valuation of the Company's ordinary shares in Railsbank should be at a 20% discount to the most recent equity funding round, being Series C at £0.8781 per share. Management believes this is appropriate and consistent with the calculation applied at the Series B round conducted in 2021 (ie a 20% discount to the Series B share price) and equates to a value of £0.70248 per share.

Thus the total value of the 3,000,000 Railsbank shares held as at 30 June 2022 has been fair valued at the year-end to £2,107,440 (2021: £5,770,181).

The investment is entirely categorised as level 3 under the fair value hierarchy.

	Fair Value Level 1	Fair Value Level 2	Fair Value Level 3	Fair Value Total
	£	£	£	£
As at 1 July 2021	-	-	5,770,181	5,770,181
Disposals during the year	-	-	(2,746,189)	(2,746,189)
Gains and losses recognised in profit or loss	-	-	(916,552)	(916,552)
Fair value at 30 June 2022	-	-	2,107,440	2,107,440

	Fair Value Level 1	Fair Value Level 2	Fair Value Level 3	Fair Value Total
	£	£	£	£
As at 1 July 2020	-	-	4,575,314	4,575,314
Disposals during the year	-	-	(1,923,927)	(1,923,927)
Gains and losses recognised in profit or loss	-	-	3,118,794	3,118,794
Fair value at 30 June 2021	-	-	5,770,181	5,770,181

Exceptional costs

Total costs incurred in the sale of the Railsbank shares in September 2021 were:

	2022	2021
	£	£
Stamp duty	13,735	9,620
Brokerage fees	-	19,239
Total	13,735	28,859

9. Financial assets at fair value

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

	Fair Value Level 1	Fair Value Level 2	Fair Value Level 3	Fair Value Total
	£	£	£	£
As at 1 July 2021	52,884	-	-	52,884
Net additions/(disposals) during the year	(17,108)	-	-	(17,108)
Gains and losses recognised in profit or loss	101,407	-	-	101,407
Fair value at 30 June 2022	137,183	-	-	137,183

	Fair Value Level 1	Fair Value Level 2	Fair Value Level 3	Fair Value Total
	£	£	£	£
As at 1 July 2020	60,587	-	-	60,587
Net additions/(disposals) during the year	23,104	-	-	23,104
Gains and losses recognised in profit or loss	(30,807)	-	-	(30,807)
Fair value at 30 June 2021	52,884	-	-	52,884

The Level 1 financial assets are holdings in physical gold. The fair value at the year-end is the quoted market value.

10. Revenue

	2022	2021
	£	£
Account keeping fee	39,643	47,396
Activation fee	45,921	-
Legacy fiat holding fees	2,668	-
Margin Revenue	31,957	-
Mastercard interchange revenue	5,014	-
Storage and transaction fees TRAC	-	12,289
	125,203	59,685

11. Trade and other receivables

	2022	2021
Non-Current:	£	£
Loans receivable*	1,300,000	-
HMRC**	422,500	-
	1,722,500	-
Current:		
Trade and other receivables	499,210	14,076
Prepayments	26,146	49,726
	525,356	63,802

11. Trade and other receivables (Cont'd)

*Yarramen Corp Limited, a company owned by the family trust of Cameron Parry, invested £1.3m in Tally Ltd in December 2021 at 2p per share, which investment was funded by a loan from Tally, and secured by the CEO's total share and warrant holdings in the company, along with his entire holding of Railsbank shares, for the sole purpose of participating in the placing of 65 million shares and 65 million warrants. The loan is repayable by 31 October 2025 and interest is paid on the outstanding amount at 2% per annum, paid monthly.

** The loan made to Yarramen Corp is liable to Corporation tax at 32.5% due the s.455 tax due on a Director's loan. The tax is due to HMRC 9 months after year end and is a non-current asset/receivable as it is reclaimable, 9 months after year end of the period in which part or all of the loan is repaid.

12. Trade and other payables

	2022	2021
Non-Current:	£	£
Deferred Income*	475,202	-
Current:		
Trade payables	117,884	192,315
Corporation tax payable**	422,500	-
Non-trade payables and accrued expenses	178,673	233,254
	719,057	425,569

*Tally entered into a business agreement with a strategic partner in June 2022 by which the partner will provide support to help increase the usage and activation of tally accounts and cards. The support invoiced prior to year end was categorised as deferred income as although received in July 2022, the support is subject to performance targets on volumes to be achieved within certain timeframes over 5 years and thus will be re-allocated to income when these targets have been met. The corresponding amount of the support invoiced was classified in other receivables as at year end as they were settled subsequent to year end, in July 2022.

** The loan made to Yarramen Corp is liable to Corporation tax at 32.5% due the s455 tax due on a Director's loan. The tax is due to HMRC 9 months after year end and is reclaimable as the loan is repaid during the term.

13. 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 2022, the following unexpired options were in existence over the shares of Tally Central Ltd:

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

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

13. Share based payments and warrants (Cont'd)

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

	Weighted average exercise price £ 2022	Number of options 2022	Weighted average exercise price £ 2021	Number of options 2021
Options issued by Tally Ltd				
Outstanding at the beginning of the year	0.0220	10,000,000	0.0220	10,000,000
Expired during the year	-	-	-	-
	0.0220	10,000,000	0.0220	10,000,000

As at 30 June 2022, the weighted average remaining contractual life of the options was 0.5 years (2021 - 1.5 years).

a) Warrants

As at 30 June 2022, the following warrants were in existence:

Date of grant	Warrants issued	Warrants exercised	Warrants expired	Warrants remaining	Expiry date	Exercise price £
08.11.2017	2,500,000	-	-	2,500,000	30.11.2022	0.011
08.11.2017	2,500,000	-	-	2,500,000	30.11.2022	0.022
29.11.2019	47,200,000	-	-	47,200,000	*	*
24.08.2020	12,100,000	-	-	12,100,000	**	**
24.08.2020	3,800,000	-	-	3,800,000	31.12.2022	0.015
04.12.2020	4,765,000	-	-	4,765,000	**	**
04.12.2020	1,000,000	-	-	1,000,000	31.12.2022	0.015
04.12.2020	1,450,000	-	-	1,450,000	31.12.2022	0.02
30.06.2021	21,041,611	-	-	21,041,611	**	**
30.07.2021	3,275,000	-	-	3,275,000	**	**
31.12.2021	71,000,000	-	-	71,000,000	**	**
	170,631,611	-	-	170,631,611		

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

Of the warrants granted 29.11.2019, Director Cameron Parry subscribed for 3,333,333 and Director Michael Joseph subscribed for 5,000,000. Of the warrants granted 04.12.2020, Director Cameron Parry subscribed for 1,500,000. Of the warrants granted 30.07.2021, Director Cameron Parry subscribed for 250,000. Of the warrants granted 31.12.2021, Director Cameron Parry subscribed for 65,000,000 and Director Arun Ranganathan subscribed for 6,000,000.

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

** the exercise price of the warrants issued on 24th August and 4th December 2020 and on 30th June, 30th July and 31st December 2021 is 200% of the Company's Initial Public Offering ("IPO") price with a term of 3 years from IPO. As the IPO date and price is uncertain, these are not included in the below analysis.

13. Share based payments and warrants (Cont'd)

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

Warrants in issue	Weighted average exercise price 2022 £	Number of warrants 2021	Weighted average exercise price 2021 £	Number of warrants 2021
Outstanding at 1 July	0.01634*	96,356,611	0.0165*	52,200,000
Issued during the year	**	74,275,000	**	37,906,611
Issued during the year	-	-	0.0162	6,250,000
Expired during the year	-	-	-	-
Exercised during the year	-	-	-	-
	0.01634	**170,631,611**	0.01634	**96,356,611**

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

*the warrants issued on 24th August and 4th December 2020 and on 30th June, 30th July and 31st December 2021 have an exercise price of 200% of the Company's Initial Public Offering ("IPO") price and will expire three years from the date of the IPO exercise. As the exercise price and the expiry date of these warrants will be determined by the eventual pricing and timing of the future IPO of the company, they have been excluded from calculation of the weighted average exercise price and weighted average remaining contractual life of the total warrants outstanding

As at 30 June 2021, the weighted average remaining contractual life of the 11,250,000 warrants with a fixed expiry was 6 months (2021: 1 year and 6 months), this excludes those with expiry starting at the point of an IPO.

The fair value of the warrants issued for services in the year were determined by the Black-Scholes model. Expected volatility is estimated by comparison to junior AIM listed technology companies. The inputs used in the measurement of the fair values of the warrants issued during the year were as follows:

	30 July 2021	31 December 2021
Grant date fair value	0.27p	0.28p
Grant date share price	2.0p	2.0p
Exercise price	4.0p	4.0p
Expected volatility	50%	50%
Option life	3 years from IPO	3 years from IPO
Dividend yield	0%	0%
Risk-free interest rate	0.35%	0.98%

	2022
Total expense recognised from share-based payment transactions	16,200
Total share-based payment transaction included as share issue costs	743
	16,943

14. Capital and reserves

a) Movement in issued and fully paid share capital:	Ordinary Shares no par value
In issue at 1 July 2021	668,064,392
Issued	68,929,587
In issue at 30 June 2022	736,993,979

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

In July 2021 Tally Ltd completed a pre-Series A funding round raising a total of £60,000, of which the board and management contributed £5,000, via the issue of a total of 3,000,000 new ordinary shares at 2 pence per share. In Dec 2021 the Company issued 929,587 at 2p each worth a total £18,592 to three employees following a cash bonus which was re-invested for these shares.. Additionally an investment of £1.3m at 2p per share for a total of 65 million shares and 65 million warrants was made on 31 December 2021 by Yarramen Corp Limited, a company owned by the family trust of Tally CEO & Founder, Cameron Parry, which investment was funded by a loan from Tally repayable by 31 October 2025 with monthly interest payable calculated at 2% p.a.

As a result of the above events, the total shares in issue as at 30 June 2022 was 736,993,979 (30 June 2021: 668,064,392).

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 760,127,312 Ordinary Shares with voting rights attached (one vote per share). There are no shares held in treasury*)*

b) Reserves

Share premium
Share premium comprises the excess of consideration received over the par value of the shares issued, the nominal value of share capital at the date of re-designation at no par value, plus costs of issue of the shares in the form of invoices and warrants.

	Share premium £
As at 30 June 2021	30,699,730
Pre-Series A funding rounds	60,000
Investment by Yarramen Corp	1,300,000
Share based payments to employees	18,592
Cost of issue	(3,300)
Issue of warrants	(743)
As at 30 June 2021	32,074,279

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.

14. Capital and reserves (Cont'd)

Shares to be issued
The shares to be issued reserve relates to monies received in advance in relation to any pre-Series A round of funding in the following financial year.

	Share based payment reserve	Foreign exchange translation reserve
	£	£
As at 1 July 2021	51,352	22,480
Movement for the year	16,943	(579)
As at 30 June 2022	68,295	21,901

15. Earnings per share

The calculation of basic earnings per share at 30 June 2022 was based on the loss of (£3,397,868) (2021 profit: £1,293,549), and a weighted average number of ordinary shares outstanding of 703,511,667 (2021: 644,450,028), calculated as follows:

	2022	2021
	£	£
Profit/(loss) attributable to ordinary shareholders	**(3,397,868)**	**1,293,549**
Weighted average number of ordinary shares	**Number '000**	**Number '000**
Issued ordinary shares at 1 July	668,064	632,308
Effect of shares issued during the year	35,448	12,142
Weighted average number of shares at 30 June	703,512	644,450

	2022 pence per share	*2021 pence per share*
Basic earnings/ (loss) per share	(0.48)	0.20
Diluted earnings per share	(0.48)	0.18

As a loss has been recorded for the year, additional equity instruments are anti-dilutive and as a result, diluted EPS has not been calculated.

16. 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.

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 £317,366 (2020: £199,412), 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 -5 years** £
30 June 2022					
Trade and other payables	1,194,259	1,194,259	296,557	422,500	475,202
Lease liabilities	147,560	152,312	48,197	49,186	50,177
Total	1,341,819	1,346,571	344,754	471,686	525,379
30 June 2021					
Trade and other payables	425,569	425,569	425,569	-	-
Lease liabilities	61,214	76,194	19,930	20,404	20,880

16. Financial instruments (Cont'd)

(*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.

	2022 £	2021 £
Cash and cash equivalents – INR	233	4,241
Cash and cash equivalents – US$	765	204
Trade and other payables – INR	(889)	(501)
Trade and other payables – US$	(4,340)	(3,466)
	(4,231)	478

The following significant exchange rates applied during the year:

	Average rate 2022	Reporting date spot rate 2022	Average rate 2021	Reporting date spot rate 2021
GBP:INR	99.787857	96.100660	99.863835	102.617547
GBP:US$	1.323816	1.216007	1.355283	1.380651

Sensitivity analysis
A strengthening of the GBP, as indicated below, against the Indian Rupee and United States Dollar at 30 June 2022 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 2022		
INR (10 percent strengthening)	(59)	-
US$ (10 percent strengthening)	(325)	-
30 June 2020		
INR (10 percent strengthening)	340	-
US$ (10 percent strengthening)	(296)	-

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.

16. Financial instruments (Cont'd)

(e) Interest rate risk

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

	Carrying amount	
	2022	2021
	£	£
Variable rate instruments		
Cash and cash equivalents	175,800	200,680
	175,800	200,680

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. Tally Central also invested 20.75616 oz of gold in a one year gold lease, earning 2.5% per annum interest calculated in gold and payable in gold (0.518904 oz).

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 2021.

	2022		2021	
	Profit or loss		Profit or loss	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
Variable rate instruments	£1,758	£(1,758)	£2,006	£(2,006)

17. Leases

The Group holds two leases (2021: one) that it accounts for under IFRS16, being its leased offices. The original office lease was extended on 1 July 2021 for an additional year to 31 December 2023, and a new lease for a second adjacent office was entered into simultaneously. To determine the split between principal and interest in the lease the Company applied an estimate of the interest it would have to pay in order to finance payments under the lease. The Company used an incremental borrowing rate of 4.10% (2021: 4.75%) to make this estimation.

Lease liabilities are included in trade and other payables as shown in Note 12.

The leases include a break period after 18 months (from July 2021). The Company is reasonably certain that the break clause will not be initiated and as such have calculated the right-of-use asset over the full 2.5 year term.

	2022
	£
For the year	
Cash outflow	
Capital	93,671
Interest	7,120
	100,791
Depreciation charge	95,721
Interest charge	7,120

17. Leases (Cont'd)

As at 30 June 2022

Right of use asset	
At 1 July 2021	59,287
Remeasurement due to lease extension (as of 1 July 2021)	59,798
Second office lease initial value	120,219
Depreciation	95,721
At 30 June 2022	143,583
Lease liability	
Less than 12 months	97,383
Greater than 12 months	50,177
Total	147,560
Actual lease liability - current	101,541
Actual lease liability - non- current	50,771

	2021
	£
For the year	
Cash outflow	
Capital	38,506
Interest	3,824
	42,330
Depreciation charge	39,525
Interest charge	2,310

As at 30 June 2021

Right of use asset	
At 1 July 2020	98,812
Depreciation	39,525
At 30 June 2021	59,287
Lease liability	
Less than 12 months	40,334
Greater than 12 months	20,880
Total	61,214
Actual lease liability - current	42,330
Actual lease liability - non- current	21,165

18. Group entities

	Country of incorporation	Ownership interest 2022	2021
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%

*As part of plans to consolidate the group structure and remove redundant entities, the wholly owned subsidiary of TallyMoney Ltd, The Real Asset Co. Limited, was dissolved on the 9th of August 2022.

19. Related parties

Key management personnel

As at the 30 June 2022 year end, there were no key management personnel employed by the Group who was not a Director (2021: 1).

	2022 £	2021 £
Key management remuneration		
Cash-based payments	147,850	23,790
	147,850	23,790

Directors' remuneration and interests

Please refer to Director's Report on page 8.

Transactions with other related parties

In August 2021 Michael Joseph provided the Company with a £60,000 unsecured loan with simple interest charged at 5%p.a. for each 12-month period or part thereof, commencing on the date of the loan (being 26 August 2021). This £60,000 principal amount + £3,000 interest was repaid in full on 10 September 2021.

First Equity Limited is an FCA-licensed London Stockbroking firm, established 1987, FCA Ref. No. 124394. Tally Ltd CEO and Founder, Cameron Parry, owns more than 25% and less than 50% of First Equity Limited and he is Joint-CEO and an FCA approved person with the firm, FCA Ref. No. CJP01234. During the year First Equity Limited was engaged to assist with the capital raises Tally Ltd conducted during the financial year and was paid £3,300 for those capital raising services.

Geomysore is a related party, as the Group holds a 19.17% equity investment in this entity (2021: 19.21%) (see note 8) as at the reporting date. During the reporting period, Tally Central Ltd invested INR 1500200 (£14,995) in return for 1154 new shares in Geomysore (2021: nil). There were no amounts outstanding as at 30 June 2022 (2021: 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 nil additional funding to Kalevala (2021: £35,100). No other transactions occurred during the year.

Ultimate controlling party
The directors believe there is no ultimate controlling party.

20. Contingent liabilities

Directors fees totalling £40,000, £45,000 and £110,000 in shares calculated at the IPO price, are payable to Alan Davies, 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.

Tally entered into a business agreement with a strategic partner in June 2022 by which the partner will provide support to help increase the usage and activation of tally accounts and cards. The support invoiced prior to year end totals £477,202 and has been recorded as deferred income as it is subject to performance targets on volumes being achieved within certain timeframes over 5 years. Thus there could be a future obligation to repay part or all of the support, should these targets not be met.

21. Subsequent events

Post balance date Tally Ltd raised an additional £694,000 in a current pre-IPO funding round, at 3p per share, increasing the total shares on issue to 760,127,312 at the date of this report, representing a company valuation based on 3p per share of £22.8m.

A memorandum of understanding was entered into with BSE-listed Deccan Gold Mines Ltd on the 19th of October 2022, whereby Tally has agreed to sell its 810 shares in Kalevala Gold OY to Deccan Gold Mines Ltd, to be paid for by the issuance of new fully paid ordinary shares in Deccan at a value to be confirmed following completion on an independent valuation report. Although there can be no guarantee of a successful completion, the sale is expected to complete by the end of February 2023.

The board of BSE-listed Deccan Gold Mines Ltd has agreed to buy Tally's 260,648 shares in Geomysore Services (India) Pvt Ltd at 1,607 rupees each (a 24% uplift on cost price), to be paid for by the issuance of 12,666,388 new fully paid ordinary shares in Deccan. The transaction is subject to Deccan shareholder approval at an EGM to be held on 23 December 2022 and therefore the value in the balance sheet is unchanged as at balance date.

As part of plans to consolidate the group structure and remove redundant entities, the wholly owned subsidiary of TallyMoney Ltd, The Real Asset Co. Limited, was dissolved on the 9th of August 2022.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TALLY CENTRAL LTD

Opinion

We have audited the consolidated financial statements of Tally Central Ltd for the year ended 30 June 2022 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 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 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs; and
- 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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 1.3 in the financial statements, which indicates that the Group incurred operating cash outflows of £2,067,839 (2021: outflow of £1,108,753). The Group is reliant on additional capital funding through the exercise of options and warrants, the issue of new ordinary shares and divestment of its non-core assets. As stated in note 1.3, these events or conditions, along with the other matters as set forth in note 1.3, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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 contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 port 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic 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
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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 group financial statements, the directors are responsible for assessing the company'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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the group and the sector in which it operates to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management and our experience of the resource exploration sector.
- We determined the principal laws and regulations relevant to the group in this regard to be those arising from:
    - The Companies (Guernsey) Law 2008;
    - IFRS accounting standards
    - General Data Protection Regulation

- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group and parent company with those laws and regulations. These procedures included, but were not limited to:
    - Enquires of management
    - Review of Board minutes
    - Review of legal expenses
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, the potential for management bias in relation to the going concern of the group and the company and as noted above, we addressed this by challenging the assumptions and judgements made by management when auditing that significant accounting estimate.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

Adam Humphreys (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor

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