

# **Tambla Limited**

**ABN 79 000 648 082**

## **Interim Report - 30 June 2020**

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Tambla Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 30 June 2020.

## Directors

The following persons were directors of Tambla Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Mr Niall Cairns	Non-Executive Chairman
Mr Chris Fydler	Managing Director
Dr Phillip Carter	Non-Executive Director
Mr Neil Docherty	Non-Executive Director

## Principal activities

During the half year, the principal activities of the consolidated entity consisted of the provision of Intelligent Workforce Solutions through its cloud-based software. Initially required to simplify the highly complex labour force environments of Australia and New Zealand, today the consolidated entity provides these solutions to enterprises globally who are looking to simplify complex working environments and gain greater efficiency and transparency of their workforces. It specialises in interpreting complex business rules including Award Wages and Enterprise Bargaining Agreements and is a leader in the emerging field of Workforce Intelligence.

## Dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

## Review of operations

The profit for the consolidated entity after providing for income tax amounted to \$84,499 (30 June 2019: \$12,442).

The adjusted earnings before interest, tax, depreciation and amortisation ('adjusted EBITDA'), was a profit of \$941,428 excluding derivative fair value movements (2019: profit of \$535,398).

Adjusted EBITDA is a financial measure which is not prescribed by Australian Accounting Standards ('AAS') and represents the profit under AAS adjusted for non-specific non-cash and significant items. The directors consider adjusted EBITDA to reflect the core earnings of the consolidated entity.

Highlights of the consolidated entity's financial statements covering the financial half-year ended 30 June 2020 are as follows:

	Consolidated Half-year ended 30 Jun 2020 \$	Half-year ended 30 Jun 2019 \$
Sales revenue	4,240,472	4,535,155
Profit after tax for the half-year	84,499	12,442
Add: depreciation and amortisation	823,196	568,368
Less: interest revenue	(1,494)	(4,703)
Add: finance costs	172,716	84,398
(Less)/add: derivative fair value movement	(29,219)	31,232
Less: tax benefit	(108,270)	(156,339)
Adjusted EBITDA	<u>941,428</u>	<u>535,398</u>

## Significant changes in the state of affairs

On 12 June 2020, the company was de-listed from the Australian Securities Exchange ('ASX').

There were no other significant changes in the state of affairs of the consolidated entity during the financial half-year.

#### Matters subsequent to the end of the financial half-year

The consolidated entity signed a lease for new premises on 16 July 2020 at Level 1, 100 Arthur Street North Sydney. The term of the lease is 5 years and annual rent is approximately \$381,000 which is subject to a fixed increase of 3.75% every 12 months. The rent period commences on 1 December 2020.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

#### Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Niall Cairns  
Non-Executive Chairman



Phillip Carter  
Non-Executive Director

27 August 2020  
Sydney

## Auditor's Independence Declaration

### To the Directors of Tambla Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Tambla Limited for the half-year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.



Grant Thornton Audit Pty Ltd  
Chartered Accountants



M R Leivesley  
Partner – Audit & Assurance

Sydney, 27 August 2020

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**Tambla Limited**  
**Statement of profit or loss and other comprehensive income**  
**For the half-year ended 30 June 2020**



		Consolidated Half-year ended 30 Jun 2020 \$	Consolidated Half-year ended 30 Jun 2019 \$	
Note				
	<b>Revenue from contracts with customers</b>	3	4,240,472	4,535,155
	Other income	4	705,233	328,642
	Interest revenue calculated using the effective interest method		1,494	4,703
	<b>Expenses</b>			
	Materials - clocks and third party products		(29,005)	(46,554)
	Employee benefits expense		(2,978,943)	(3,437,222)
	Consultancy and legal fees		(211,026)	(124,736)
	Directors' fees		(126,000)	(140,000)
	Depreciation and amortisation expense		(823,196)	(568,368)
	Accounting and professional fees		(211,265)	(191,134)
	Occupancy		(14,069)	(20,051)
	IT hosting expenses		(213,425)	(180,368)
	Travel expenses		(23,738)	(126,733)
	Derivative fair value movement		29,219	(31,232)
	Other expenses		(196,806)	(61,601)
	Finance costs		(172,716)	(84,398)
	<b>Loss before income tax benefit</b>		(23,771)	(143,897)
	Income tax benefit		108,270	156,339
	<b>Profit after income tax benefit for the half-year attributable to the owners of Tambla Limited</b>		84,499	12,442
	<b>Other comprehensive income</b>			
	<i>Items that may be reclassified subsequently to profit or loss</i>			
	Foreign currency translation		11,697	(5,299)
	Other comprehensive income for the half-year, net of tax		11,697	(5,299)
	<b>Total comprehensive income for the half-year attributable to the owners of Tambla Limited</b>		96,196	7,143

*The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes*

		<b>Consolidated</b>	
	<b>Note</b>	<b>30 Jun 2020</b>	<b>31 Dec 2019</b>
		<b>\$</b>	<b>\$</b>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		691,599	547,222
Trade and other receivables		682,549	830,262
Contract assets		130,336	110,069
Inventories		90,800	73,011
Research and development rebate		870,127	464,602
Other current assets	5	245,312	154,002
<b>Total current assets</b>		<b>2,710,723</b>	<b>2,179,168</b>
<b>Non-current assets</b>			
Property, plant and equipment	6	350,077	364,193
Right-of-use assets		-	115,272
Intangibles	7	3,716,166	3,285,084
Security deposits		-	124,725
<b>Total non-current assets</b>		<b>4,066,243</b>	<b>3,889,274</b>
<b>Total assets</b>		<b>6,776,966</b>	<b>6,068,442</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		1,314,102	1,020,429
Contract liabilities		1,813,418	2,171,594
Borrowings	8	1,619,335	249,877
Lease liabilities		-	193,822
Derivative financial instruments	9	87,411	136,630
Provisions		648,236	668,964
Other current liabilities	10	180,284	120,959
<b>Total current liabilities</b>		<b>5,662,786</b>	<b>4,562,275</b>
<b>Non-current liabilities</b>			
Borrowings	11	490,010	1,114,115
Deferred tax		252,629	360,899
Provisions		142,030	118,362
Other non-current liabilities	12	630,308	453,489
<b>Total non-current liabilities</b>		<b>1,514,977</b>	<b>2,046,865</b>
<b>Total liabilities</b>		<b>7,177,763</b>	<b>6,609,140</b>
<b>Net liabilities</b>		<b>(400,797)</b>	<b>(540,698)</b>
<b>Equity</b>			
Issued capital	13	38,294,906	38,302,877
Reserves		525,648	462,275
Accumulated losses		(39,221,351)	(39,305,850)
<b>Total deficiency in equity</b>		<b>(400,797)</b>	<b>(540,698)</b>

*The above statement of financial position should be read in conjunction with the accompanying notes*

Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 January 2019	38,286,177	444,311	(38,650,654)	79,834
Profit after income tax benefit for the half-year	-	-	12,442	12,442
Other comprehensive income for the half-year, net of tax	-	(5,299)	-	(5,299)
Total comprehensive income for the half-year	-	(5,299)	12,442	7,143
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments	-	12,028	-	12,028
Transactions costs associated with the issue of shares in the prior period	(400)	-	-	(400)
Balance at 30 June 2019	<u>38,285,777</u>	<u>451,040</u>	<u>(38,638,212)</u>	<u>98,605</u>
Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total deficiency in equity \$
Balance at 1 January 2020	38,302,877	462,275	(39,305,850)	(540,698)
Profit after income tax benefit for the half-year	-	-	84,499	84,499
Other comprehensive income for the half-year, net of tax	-	11,697	-	11,697
Total comprehensive income for the half-year	-	11,697	84,499	96,196
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments	-	12,387	-	12,387
Share buy back	(7,971)	-	-	(7,971)
Equity component of convertible note, net of transaction costs	-	39,289	-	39,289
Balance at 30 June 2020	<u>38,294,906</u>	<u>525,648</u>	<u>(39,221,351)</u>	<u>(400,797)</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes



	<b>Consolidated</b>	
	<b>Half-year ended</b>	<b>Half-year ended</b>
<b>Note</b>	<b>30 Jun 2020</b>	<b>30 Jun 2019</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Receipts from customers (inclusive of GST)	4,500,129	5,033,615
Payments to suppliers (inclusive of GST)	(3,975,152)	(4,749,980)
Interest received	1,494	4,703
Interest and other finance costs paid	(17,741)	(16,300)
Government grants received	360,500	-
Net cash from operating activities	869,230	272,038
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	6 (90,547)	(323,163)
Payments for intangibles	7 (1,034,167)	(791,407)
Net cash used in investing activities	(1,124,714)	(1,114,570)
<b>Cash flows from financing activities</b>		
Proceeds from the issue of convertible notes	525,000	1,250,000
Payment of interest on convertible notes	(63,352)	(11,575)
Proceeds from borrowings	521,484	-
Repayment of borrowings	(328,340)	(26,030)
Transaction costs related to loans and borrowings	(34,913)	-
Payment for share buy back	(19,639)	-
Repayment of lease liabilities	(193,822)	(175,053)
Net cash from financing activities	406,418	1,037,342
Net increase in cash and cash equivalents	150,934	194,810
Cash and cash equivalents at the beginning of the financial half-year	547,222	786,398
Effects of exchange rate changes on cash and cash equivalents	(6,557)	(148)
Cash and cash equivalents at the end of the financial half-year	691,599	981,060

*The above statement of cash flows should be read in conjunction with the accompanying notes*

## **Note 1. General information**

The financial statements cover Tambla Limited ('company' or 'parent entity') as a consolidated entity consisting of Tambla Limited and the entities it controlled at the end of, or during, the financial half-year ('consolidated entity'). The financial statements are presented in Australian dollars, which is Tambla Limited's functional and presentation currency.

Tambla Limited is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 1  
100 Arthur Street  
North Sydney NSW 2060

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 27 August 2020.

## **Note 2. Significant accounting policies**

These general purpose financial statements for the interim half-year reporting period ended 30 June 2020 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 31 December 2019.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

### **New or amended Accounting Standards and Interpretations adopted**

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

### **Going concern**

The directors have prepared the financial statements on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and extinguishment of liabilities in the ordinary course of business.

As at 30 June 2020 the consolidated entity had a working capital deficiency of \$2,952,063 (31 December 2019: \$2,383,107) and reported a net profit after tax for the half-year of \$84,499 (Half-year ended 30 June 2019: profit of \$12,442) and operating cash inflows of \$869,230 (Half-year ended 30 June 2019: operating cash inflows of \$272,038) for the financial half-year.

The economic impacts of the COVID-19 coronavirus outbreak remain uncertain. It is possible that there will be continued subdued economy wide activity during the second half of year ended 31 December 2020. To date, COVID-19 has had minimal impact on the business, however in this environment the directors acknowledge it does have the potential to affect parts of the business, particularly if customers curtail their expenditure on professional services and development projects and / or have liquidity problems and delay payments for SAAS services provided.

The above factors indicate an uncertainty which may cast doubt as to whether the consolidated entity will be able to continue as a going concern and therefore whether the consolidated entity will be able to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the consolidated financial statements.

### Note 3. Revenue from contracts with customers

	Consolidated Half-year ended 30 Jun 2020 \$	Consolidated Half-year ended 30 Jun 2019 \$
Sale of software	157,783	147,364
Rendering of services	4,016,010	4,317,179
Sale of goods	66,679	70,612
	<hr/>	<hr/>
Revenue from contracts with customers	<u>4,240,472</u>	<u>4,535,155</u>

#### Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	Consolidated Half-year ended 30 Jun 2020 \$	Consolidated Half-year ended 30 Jun 2019 \$
<b>Major product lines</b>		
Sale of software licences	157,783	147,364
Product services	892,111	963,179
Customer support	1,813,444	1,847,289
Subscriptions	989,230	1,045,318
Development	188,112	335,258
Royalties and commissions	19,204	22,377
Sale of clocks	66,679	70,612
Maintenance of clocks	113,909	103,758
	<hr/>	<hr/>
	<u>4,240,472</u>	<u>4,535,155</u>

	Consolidated Half-year ended 30 Jun 2020 \$	Consolidated Half-year ended 30 Jun 2019 \$
<b>Timing of revenue recognition</b>		
Products and services transferred at a point in time	243,666	240,353
Services transferred over time	3,996,806	4,294,802
	<hr/>	<hr/>
	<u>4,240,472</u>	<u>4,535,155</u>

#### Note 4. Other income

	Consolidated Half-year ended 30 Jun 2020 \$	Consolidated Half-year ended 30 Jun 2019 \$
Research and development rebate	169,381	277,262
Government grants (COVID-19)	523,520	-
Other	12,332	51,380
	<u>705,233</u>	<u>328,642</u>
Other income		

Government grants (COVID-19) represents grants received from the Government comprising of:

- (i) JobKeeper support payments - during the Coronavirus ('COVID-19') pandemic, the consolidated entity has received JobKeeper support payments from the Australian Government which are passed on to eligible employees. These have been recognised as government grants in the financial statements and recorded as other income over the periods in which the related employee benefits are recognised as an expense. The JobKeeper payment scheme in its current form runs for the fortnights from 30 March until 27 September 2020. The consolidated entity is eligible for JobKeeper support from the government on the condition that employee benefits continue to be paid.
- (ii) Cash Boost support payments - during the half-year the consolidated entity received payments from the Australian Government as part of its 'Boosting Cash Flow for Employers' scheme in response to the Coronavirus ('COVID-19') pandemic. These non-tax amounts have been recognised as government grants and recognised as income once there is reasonable assurance that the consolidated entity will comply with any conditions attached.

#### Note 5. Current assets - other current assets

	Consolidated 30 Jun 2020 \$	Consolidated 31 Dec 2019 \$
Prepayments	120,572	154,002
Security deposits	124,740	-
	<u>245,312</u>	<u>154,002</u>

#### Note 6. Non-current assets - property, plant and equipment

	Consolidated 30 Jun 2020 \$	Consolidated 31 Dec 2019 \$
Leasehold improvements - at cost	214,457	214,457
Less: Accumulated depreciation	(214,457)	(180,649)
	<u>-</u>	<u>33,808</u>
Plant and equipment - at cost	695,873	605,326
Less: Accumulated depreciation	(345,796)	(277,657)
	<u>350,077</u>	<u>327,669</u>
Fixtures and fittings - at cost	9,610	9,610
Less: Accumulated depreciation	(9,610)	(6,894)
	<u>-</u>	<u>2,716</u>
	<u>350,077</u>	<u>364,193</u>

## Note 6. Non-current assets - property, plant and equipment (continued)

### Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

Consolidated	Leasehold improvements \$	Plant and equipment \$	Fixtures and fittings \$	Total \$
Balance at 1 January 2020	33,808	327,669	2,716	364,193
Additions	-	90,547	-	90,547
Depreciation expense	(33,808)	(68,139)	(2,716)	(104,663)
Balance at 30 June 2020	-	350,077	-	350,077

## Note 7. Non-current assets - intangibles

	Consolidated 30 Jun 2020 \$	31 Dec 2019 \$
Capitalised development software - at cost	3,117,922	2,083,755
Less: Accumulated amortisation	(322,224)	(113,849)
	2,795,698	1,969,906
Software - at cost	5,981,061	5,981,061
Less: Accumulated amortisation	(4,999,246)	(4,676,815)
Less: Impairment	(229,998)	(229,998)
	751,817	1,074,248
Customer relationships - at cost	1,071,315	1,071,315
Less: Accumulated amortisation	(856,024)	(783,745)
Less: Impairment	(46,640)	(46,640)
	168,651	240,930
	3,716,166	3,285,084

### Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

Consolidated	Capitalised software development \$	Software \$	Customer relationships \$	Total \$
Balance at 1 January 2020	1,969,906	1,074,248	240,930	3,285,084
Additions	1,034,167	-	-	1,034,167
Amortisation expense	(208,375)	(322,431)	(72,279)	(603,085)
Balance at 30 June 2020	2,795,698	751,817	168,651	3,716,166

## Note 8. Current liabilities - borrowings

	Consolidated 30 Jun 2020 \$	31 Dec 2019 \$
Convertible notes payable	1,155,458	-
Loans	463,877	249,877
	<u>1,619,335</u>	<u>249,877</u>

### Convertible notes payable

Convertible notes payable comprise of 1,250,000 convertible notes at \$1 per note issued on 8 March 2019. The notes have maturity date of 30 June 2021 with an interest rate of 10% per annum, compounding daily. The notes are unsecured. At any time up to the maturity date, the notes can be converted into ordinary shares in Tambla Limited shares at an issue price \$0.02 per share or the lower of the issue price and 90% of the price of shares issued under a capital raising or the lower of issue price and 80% of the price of shares issued from a change in control event any time before maturity date.

The convertible notes are measured at amortised cost. An embedded derivative liability, representing the option to convert, is measured at fair value.

As at 31 December 2019, the convertible notes payable were classified as non-current liabilities and are included in note 11.

### Loans

Loans represent a \$640,000 loan facility with MAM Group to fund its research & development grant for the period 1 July 2019 to 30 June 2020, with drawdowns of the facility every 4 months throughout the R&D tax financial period. As at 30 June 2020, the consolidated entity had drawn down \$463,877 of the total facility (31 December 2019: \$248,877). Interest is charged at 15% per annum and the borrowings are secured over the R&D rebate.

## Note 9. Current liabilities - derivative financial instruments

	Consolidated 30 Jun 2020 \$	31 Dec 2019 \$
Derivative - convertible loan notes	87,411	136,630

Refer to note 15 for further information on fair value measurement.

Refer to note 11 for further details on the convertible loan notes.

## Note 10. Current liabilities - other current liabilities

	Consolidated 30 Jun 2020 \$	31 Dec 2019 \$
Research and development rebate received in advance	180,284	120,959

Refer to note 12 for further information.

## Note 11. Non-current liabilities - borrowings

	Consolidated 30 Jun 2020 \$	31 Dec 2019 \$
Convertible notes payable	490,010	1,114,115

## Note 11. Non-current liabilities - borrowings (continued)

### Convertible notes payable

As at 30 June 2020, convertible notes payable comprise of 525,000 convertible notes at \$1 per note issued on 20 March 2020. The notes have maturity date of 30 June 2022 with an interest rate of 6% per annum, compounding daily. The notes are unsecured. At any time up to the maturity date, the notes can be converted into ordinary shares in Tambla Limited shares at an issue price \$0.25 per share.

On the issue of the convertible notes the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond and this amount is subsequently measured at amortised cost until extinguished on conversion or redemption. The increase in the liability due to the passage of time is recognised as a finance cost. The remainder of the proceeds are allocated to the conversion option that is recognised and included in shareholders equity as a convertible note reserve, net of transaction costs. The carrying amount of the conversion option is not remeasured in the subsequent years. The corresponding interest on convertible notes is expensed to profit or loss.

As at 31 December 2019, convertible notes payable comprise of 1,250,000 convertible notes at \$1 per note issued on 8 March 2019. As at 30 June 2020, these convertible notes are classified as current liabilities and are included in note 8. Refer to note 8 for further details.

## Note 12. Non-current liabilities - other non-current liabilities

	Consolidated	
	30 Jun 2020	31 Dec 2019
	\$	\$
Research and development rebate received in advance	630,308	453,489

The consolidated entity has adopted the income approach to accounting for research and development tax offsets pursuant to AASB 120 'Accounting for Government Grant and Disclosure of Government Assistance' whereby the incentive is recognised in profit or loss on a systematic basis over the periods in which the consolidated entity recognises the eligible expenses when capitalised then deferred.

## Note 13. Equity - issued capital

	Consolidated			
	30 Jun 2020	31 Dec 2019	30 Jun 2020	31 Dec 2019
	Shares	Shares	\$	\$
Ordinary shares - fully paid	19,820,639	19,820,639	38,294,906	38,302,877

### Movements in ordinary share capital

Details	Date	Shares	\$
Balance	1 January 2019	19,820,639	38,302,877
Share buy back		-	(7,971)
Balance	30 June 2020	19,820,639	38,294,906

### Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

## Note 14. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

## Note 15. Fair value measurement

### Fair value hierarchy

The following tables detail the consolidated entity's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>Consolidated - 30 Jun 2020</b>				
<i>Liabilities</i>				
Derivative	-	-	87,411	87,411
Total liabilities	-	-	87,411	87,411

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>Consolidated - 31 Dec 2019</b>				
<i>Liabilities</i>				
Derivative	-	-	136,630	136,630
Total liabilities	-	-	136,630	136,630

There were no transfers between levels during the financial half-year.

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value. The carrying amounts of trade receivables and trade payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial instruments.

### Valuation techniques for fair value measurements categorised within level 3

Derivatives has been valued using a discounted cash flow model.

### Level 3 assets and liabilities

Movements in level 3 assets and liabilities during the current financial half-year are set out below:

	Derivatives \$
<b>Consolidated</b>	
Balance at 1 January 2020	136,630
Fair value movement recognised in profit or loss	(29,219)
Other	(20,000)
Balance at 30 June 2020	<u>87,411</u>

## Note 16. Contingent liabilities

The consolidated entity has a bank guarantee in place with St. George Bank which amounts to \$124,000 (31 December 2019: \$124,000).



#### **Note 17. Events after the reporting period**

The consolidated entity signed a lease for new premises on 16 July 2020 at Level 1, 100 Arthur Street North Sydney. The term of the lease is 5 years and annual rent is approximately \$381,000 which is subject to a fixed increase of 3.75% every 12 months. The rent period commences on 1 December 2020.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2020 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Niall Cairns  
Non-Executive Chairman



Phillip Carter  
Non-Executive Director

27 August 2020  
Sydney

# Independent Auditor's Report

## To the Members of Tambla Limited

### Report on the review of the half year financial report

#### Conclusion

We have reviewed the accompanying half year financial report of Tambla Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2020, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half year financial report of Tambla Limited does not give a true and fair view of the financial position of the Group as at 30 June 2020, and of its financial performance and its cash flows for the half year ended on that date, in accordance with the *Corporations Act 2001*, including complying with Accounting Standard AASB 134 *Interim Financial Reporting*.

#### Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of Financial Report Performance by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110

Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code. We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

#### Directors' responsibility for the half year financial report

The Directors of the Company are responsible for the preparation of the half year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the half year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### Auditor's responsibility

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2020 and its performance for the half year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Tambla Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Grant Thornton Audit Pty Ltd  
Chartered Accountants



M R Leivesley  
Partner – Audit & Assurance

Sydney, 27 August 2020