Tambla Limited
Appendix 4D
Half-year report

1. Company details

Name of entity:	Tambla Limited
ABN:	79 000 648 082
Reporting period:	For the half-year ended 30 June 2019
Previous period:	For the half-year ended 30 June 2018

2. Results for announcement to the market

				$
Revenues from ordinary activities	down	6.1%	to	4,539,858
Profit from ordinary activities after tax attributable to the owners of Tambla Limited	up	110.5%	to	12,442
Profit for the half-year attributable to the owners of Tambla Limited	up	110.5%	to	12,442
Adjusted Earnings Before Interest, Tax, Depreciation and Amortisation	up	164.7%	to	535,398

Dividends
There were no dividends paid, recommended or declared during the current financial period.

Comments
The adjusted earnings before interest, tax, depreciation and amortisation ('adjusted EBITDA'), was a profit of $535,398 excluding derivative fair value movements (2018: adjusted EBITDA of $202,279).

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.

	Consolidated 2019 $	Consolidated 2018 $
Sales revenue	4,535,155	4,833,336
Profit/(loss) after tax for the half-year	12,442	(118,898)
Add: depreciation and amortisation	568,368	424,153
Less: interest revenue	(4,703)	(1,888)
Add: finance costs	84,398	9,072
Add: derivative fair value movement	31,232	-
Less: tax benefit	(156,339)	(110,160)
Adjusted EBITDA	535,398	202,279

Refer to Chairman's letter for further commentary on the results.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	(12.07)	(10.98)

The net tangible assets is calculated based on the number of ordinary shares that would have been in existence had the capital reorganisation occurred as at 1 January 2018.

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Name of entities (or group of entities)	Tambla Asia SDN BHD
Date control lost	25 June 2019

	$
Contribution of such entities to the reporting entity's profit/(loss) from ordinary activities before income tax during the period (where material)	-
Profit/(loss) from ordinary activities before income tax of the controlled entity (or group of entities) whilst controlled during the whole of the previous period (where material)	-

6. Dividends

Current period
There were no dividends paid, recommended or declared during the current financial period.

Previous period
There were no dividends paid, recommended or declared during the previous financial period.

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

11. Attachments

Details of attachments (if any):

The Interim Report of Tambla Limited for the half-year ended 30 June 2019 is attached.

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12. Signed

Signed ____________________ Date: 16 August 2019

Niall Cairns
Non-Executive Chairman
Sydney

Tambla Limited

ABN 79 000 648 082

Interim Report - 30 June 2019

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Tambla Limited
Chairman's letter
30 June 2019

Dear Fellow shareholders,

It is a pleasure to deliver to you Tambla's first Net Profit After Tax (NPAT), in its first 6 month reporting period as Tambla Limited. It is yet another step forward in the journey we are on, towards delivering a sustainably profitable, growing and more valuable company.

The highlights are:

- NPAT of $12,442 (the first for many years and up from a loss of $0.1m in H1 FY18)
- EBITDA up 164% to $0.5m (FY18 H1 $0.2m)
- Operating Cash flows up 147% to $0.3m (FY18 H1 $0.1m)
- Revenue slightly down by 6% to $5.4m, after FY18's full year 11% increase
- Recurring revenue now 66% of total revenue
- Increased investment in customer facing data infrastructure and new technology solutions, with appropriate capitalisation
- Increased investment in sales and marketing initiatives, both locally and in the USA and Canada
- Strengthened balance sheet and cash position
- New capital raised from new and existing shareholders by Convertible Note
- Successful share consolidation

Tambla's first NPAT, though small, was delivered on the back of a stronger EBITDA and Operating Cash Flow result (up 164% and 147% respectively) and slightly lower revenue. Revenue was slightly lower, partly due to timing and lower upfront licence revenue, however the percentage of recurring revenue is consistent with FY18. The EBITDA increase was enhanced by the new mandatory accounting standards' treatment of some items of expenditure, for example rent which was moved out of occupancy expenses and into amortisation. Importantly though, on a comparable basis the increase in EBITDA was still significant. The result is also testament to tight and effective management of the business.

The balance sheet is stronger due to three reasons, firstly strong operating results and a NPAT; secondly the $1.25m capital raising by Convertible Note; and thirdly by having the confidence in our business to capitalise some of the investment being made in data infrastructure and brought forward development of new technology solutions.

The investment Tambla is making in both data infrastructure and new technology solutions are already delivering new efficiencies in operations, better customer outcomes, increasing sales opportunities and engagement with both customers and partners. Already there are a number of significant new growth opportunities from within our existing customer base. In addition, the new marketing and partnership initiatives are also showing promise, with the first USA customer for Tambla's PACE solution - the cloud based global pay calculation engine - expected to be live in 2019.

Over the last few years the business has changed and strengthened significantly. This half year report shows that this strengthening continues and is testament to the Tambla team, led by our CEO Chris Fydler and his growing management team. We look forward to continuing to develop Tambla and delivering to you a sustainably growing, profitable and more valuable company on an ongoing basis.

Yours sincerely

Niall Cairns
Non-Executive Chairman

16 August 2019
Sydney

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 2019.

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
Dr Phillip Carter	Non-Executive Director
Mr Neil Docherty	Non-Executive Director
Mr Matthew Michalewicz	Non-Executive Director

Principal activities
During the financial half-year the principal activities of the consolidated entity consisted of the provision of workforce management software and services for Australian and international customers. Offices in Australia and the United Kingdom support over 160 customers and over 5,800 locations globally in APAC, EMEA and North America.

The consolidated entity, under the brand names Tambla, eTivity, Microster, Rostima and Salvus, provides effective workforce management and optimisation solutions to enterprises globally who are looking to simplify complex workforce environments. It specialises in interpreting Award Wages and Enterprise Bargaining Agreements and equivalent structures.

The consolidated entity delivers substantial financial and operational advantage by aligning people, productivity and performance, making workforces more productive, reducing fixed and variable overheads, and increasing profitability. The consolidated entity has clients in global ports, aviation, security, transportation, health, childcare, government, retail and hospitality.

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 $12,442 (30 June 2018: loss of $118,898).

The adjusted earnings before interest, tax, depreciation and amortisation ('adjusted EBITDA'), was a profit of $535,398 excluding derivative fair value movements (2018: profit of $202,279).

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 2019 are as follows:

	Consolidated	
	2019 $	2018 $
Sales revenue	4,535,155	4,833,336
Profit/(loss) after tax for the half-year	12,442	(118,898)
Add: depreciation and amortisation	568,368	424,153
Less: interest revenue	(4,703)	(1,888)
Add: finance costs	84,398	9,072
Add: derivative fair value movement	31,232	-
Less: tax benefit	(156,339)	(110,160)
Adjusted EBITDA	535,398	202,279

Refer to Chairman's letter for further commentary on the results.

Significant changes in the state of affairs

On 8 March 2019 the Company issued 1,250,000 convertible notes at $1 per note. The notes have maturity date of 30 June 2021 with an interest 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 issues from a change in control event any time before maturity date.

On 22 May 2019, the company underwent a share reorganisation whereby the ordinary shares and performance rights on issue were consolidated based on a ratio of 1:50.

As a result of the share reorganisation:

- 989,129,167 ordinary shares on issue before the reorganisation converted into 19,782,639 ordinary shares; and
- 34,000,000 performance rights on issue before the reorganisation converted into 680,000 performance rights.

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

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	Phillip Carter
Non-Executive Chairman	Non-Executive Director

16 August 2019
Sydney

Grant Thornton

Level 17, 383 Kent Street
Sydney NSW 2000

Correspondence to:
Locked Bag Q800
QVB Post Office
Sydney NSW 1230

T +61 2 8297 2400
F +61 2 9299 4445
E info.nsw@au.gt.com
W www.grantthornton.com.au

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 2019. 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

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

M Leivesley

M R Leivesley
Partner – Audit & Assurance

Sydney, 16 August 2019

	Note	Consolidated 2019 $	Consolidated 2018 $
Revenue from contracts with customers	4	4,535,155	4,833,336
Other income	5	328,642	376,978
Interest revenue calculated using the effective interest method		4,703	1,888
Expenses			
Materials - clocks and third party products		(46,554)	(55,391)
Employee benefits expense		(3,437,222)	(3,675,729)
Consultancy and legal fees		(124,736)	(235,404)
Directors' fees		(140,000)	(140,000)
Depreciation and amortisation expense		(568,368)	(424,153)
Accounting and professional fees		(191,134)	(147,031)
Occupancy		(20,051)	(159,792)
IT hosting expenses		(180,368)	(344,022)
Travel expenses		(126,733)	(118,988)
Derivative fair value movement		(31,232)	-
Other expenses		(61,601)	(131,678)
Finance costs		(84,398)	(9,072)
Loss before income tax benefit		(143,897)	(229,058)
Income tax benefit		156,339	110,160
Profit/(loss) after income tax benefit for the half-year attributable to the owners of Tambla Limited		12,442	(118,898)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		(5,299)	(4,410)
Other comprehensive income for the half-year, net of tax		(5,299)	(4,410)
Total comprehensive income for the half-year attributable to the owners of Tambla Limited		7,143	(123,308)
		Cents	Cents
Basic earnings per share	14	0.0629	(0.6009)
Diluted earnings per share	14	0.0629	(0.6009)

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

Tambla Limited
Statement of financial position
As at 30 June 2019

	Note	Consolidated 2019 $	2018 $
Assets			
Current assets			
Cash and cash equivalents		981,060	786,398
Trade and other receivables		957,427	1,093,853
Contract assets		190,590	308,100
Inventories		68,450	64,425
Research and development rebate		626,419	149,858
Prepayments		55,154	94,588
Total current assets		2,879,100	2,497,222
Non-current assets			
Property, plant and equipment	6	400,898	92,404
Right-of-use assets		221,162	-
Intangibles	7	2,486,784	2,104,597
Security deposits		125,236	125,237
Total non-current assets		3,234,080	2,322,238
Total assets		6,113,180	4,819,460
Liabilities			
Current liabilities			
Trade and other payables		1,172,391	1,292,406
Contract liabilities		1,766,937	1,925,905
Lease liabilities		373,776	-
Derivative financial instruments	8	178,578	-
Income tax		4,299	-
Provisions		682,319	782,439
Total current liabilities		4,178,300	4,000,750
Non-current liabilities			
Contract liabilities		158,764	-
Borrowings	9	1,076,960	-
Deferred tax		469,168	629,934
Provisions		131,383	108,942
Total non-current liabilities		1,836,275	738,876
Total liabilities		6,014,575	4,739,626
Net assets		98,605	79,834
Equity			
Issued capital	10	38,285,777	38,286,177
Reserves		451,040	444,311
Accumulated losses		(38,638,212)	(38,650,654)
Total equity		98,605	79,834

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

Tambla Limited
Statement of changes in equity
For the half-year ended 30 June 2019

Consolidated	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 January 2018	38,290,678	437,753	(38,301,718)	426,713
Loss after income tax benefit for the half-year	-	-	(118,898)	(118,898)
Other comprehensive income for the half-year, net of tax	-	(4,410)	-	(4,410)
Total comprehensive income for the half-year	-	(4,410)	(118,898)	(123,308)
Transactions with owners in their capacity as owners:				
Share-based payments	-	26,584	-	26,584
Buy-back of shares	(4,501)	-	-	(4,501)
Balance at 30 June 2018	38,286,177	459,927	(38,420,616)	325,488

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
Transactions with owners in their capacity as owners:				
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	38,285,777	451,040	(38,638,212)	98,605

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

	Note	Consolidated 2019 $	Consolidated 2018 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		5,033,615	5,163,769
Payments to suppliers (inclusive of GST)		(4,749,980)	(5,155,987)
Interest received		4,703	1,888
Interest and other finance costs paid		(16,300)	(3,897)
Refund of rental bond		-	50,506
Government grant received		-	54,438
Net cash from operating activities		272,038	110,717
Cash flows from investing activities			
Payments for property, plant and equipment	6	(323,163)	(38,800)
Payments for intangibles	7	(791,407)	-
Net cash used in investing activities		(1,114,570)	(38,800)
Cash flows from financing activities			
Proceeds from the issue of convertible notes		1,250,000	-
Payment of interest on convertible notes		(11,575)	-
Share issue transaction costs		-	(7,602)
Repayment of lease liabilities		(175,053)	-
Repayment of borrowings		(26,030)	-
Net cash from/(used in) financing activities		1,037,342	(7,602)
Net increase in cash and cash equivalents		194,810	64,315
Cash and cash equivalents at the beginning of the financial half-year		786,398	666,733
Effects of exchange rate changes on cash and cash equivalents		(148)	7,982
Cash and cash equivalents at the end of the financial half-year		981,060	739,030

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 a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 16
132 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 15 August 2019.

Note 2. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 30 June 2019 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 2018 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

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.

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

The following Accounting Standards and Interpretations that have been adopted are most relevant to the consolidated entity:

AASB 16 Leases
The consolidated entity has adopted AASB 16 from 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 are higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

Impact of adoption
AASB 16 was adopted using the modified retrospective approach and as such the comparatives have not been restated. There was no impact of adoption on opening retained profits as at 1 January 2019. The following assets and liabilities were recognised and derecognised on 1 January 2019:

Note 2. Significant accounting policies (continued)

	1 January 2019 $
Right-of-use assets (AASB 16)	331,743
Lease liabilities - current (AASB 16)	(366,787)
Lease liabilities - non-current (AASB 16)	(182,042)
Derecognise the deferred lease incentive liability at 1 January 2019 (AASB 117)	217,086
Net impact on retained earnings at 1 January 2019:	-

	1 January 2019 $
Reconciliation from operating lease commitments disclosure at 31 December 2018 to the opening lease liability at 1 January 2019:	
Operating lease commitments as at 31 December 2018 (AASB 117)	606,487
Operating lease commitments discounted based on the weighted average incremental borrowing rate of 5.26% (AASB 16)	(33,843)
Low-value assets leases and short-term leases not included in the lease liability (AASB 16)	(23,815)
Lease liability recognised at 1 January 2019	548,829

Right-of-use assets
A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Lease liabilities
A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Note 2. Significant accounting policies (continued)

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 2019 the consolidated entity had a working capital deficiency of $1,299,200 (31 December 2018: $1,503,528) and reported a net profit after tax for the half-year of $12,442 (Half-year ended 30 June 2018: loss of $118,898) and operating cash inflows of $272,038 (Half-year ended 30 June 2018: operating cash inflows of $110,717) for the financial half-year.

The directors believe the consolidated entity will be able to realise its assets and settle its liabilities and commitments in the ordinary course of business and at the amounts stated in the financial report. Accordingly, the financial report has been prepared on the going concern basis and does not include any adjustments relating to the recoverability and classification of recorded assets or to the amounts and classification of liabilities that might be necessary should the consolidated entity not continue as a going concern.

Note 3. Operating segments

Identification of reportable operating segments
The consolidated entity is organised into one operating segment being workforce management. This operating segment is based on the internal reports that are reviewed and used by the Chief Executive Officer and Chief Financial Officer (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The workforce management business focuses on providing effective workforce management solutions including rostering and scheduling, award interpretation, labour cost management, fatigue risk management, leave management, time and attendance, employee self-service portals, risk management and safety compliance and workforce analytics. The Software central to this business is Microster (workforce management solutions), eTivity (workforce management solutions), Rostima (workforce management solutions) and Salvus (safety, risk and claims solutions).

The operating segment information is the same information as provided throughout the financial statements and therefore not duplicated.

Note 4. Revenue from contracts with customers

	Consolidated	
	2019 $	2018 $
Sale of software	147,364	434,646
Rendering of services	4,317,179	4,327,297
Sale of goods	70,612	71,393
Revenue from contracts with customers	4,535,155	4,833,336

Note 4. Revenue from contracts with customers (continued)

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

	Consolidated 2019 $	Consolidated 2018 $
Major product lines		
Sale of software licences	147,364	434,646
Product services	963,179	844,574
Customer support	1,847,289	2,100,683
Subscriptions	1,045,318	1,148,328
Development	335,258	95,609
Royalties and commissions	22,377	18,353
Sale of clocks	70,612	71,393
Maintenance of clocks	103,758	119,750
	4,535,155	4,833,336

	Consolidated 2019 $	Consolidated 2018 $
Timing of revenue recognition		
Products and services transferred at a point in time	240,353	524,392
Services transferred over time	4,294,802	4,308,944
	4,535,155	4,833,336

Note 5. Other income

	Consolidated 2019 $	Consolidated 2018 $
Research and development rebate	277,262	309,208
Other	51,380	67,770
Other income	328,642	376,978

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

	Consolidated 2019 $	Consolidated 2018 $
Leasehold improvements - at cost	208,336	181,033
Less: Accumulated depreciation	(155,000)	(137,552)
	53,336	43,481
Plant and equipment - at cost	570,712	240,742
Less: Accumulated depreciation	(227,288)	(196,923)
	343,424	43,819
Fixtures and fittings - at cost	21,299	21,299
Less: Accumulated depreciation	(17,161)	(16,195)
	4,138	5,104
	400,898	92,404

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 2019	43,481	43,819	5,104	92,404
Additions	27,303	329,970	-	357,273
Depreciation expense	(17,448)	(30,365)	(966)	(48,779)
Balance at 30 June 2019	53,336	343,424	4,138	400,898

Note 7. Non-current assets - intangibles

	Consolidated 2019 $	Consolidated 2018 $
Goodwill - at cost	16,584,001	16,584,001
Less: Impairment	(16,584,001)	(16,584,001)
	-	-
Capitalised development software - at cost	791,195	-
Less: Accumulated amortisation	(14,299)	-
	776,896	-
Software - at cost	5,981,061	5,981,061
Less: Accumulated amortisation	(4,354,384)	(4,031,954)
Less: Impairment	(229,998)	(229,998)
	1,396,679	1,719,109
Customer relationships - at cost	1,071,315	1,071,315
Less: Accumulated amortisation	(711,466)	(639,187)
Less: Impairment	(46,640)	(46,640)
	313,209	385,488
	2,486,784	2,104,597

Note 7. Non-current assets - intangibles (continued)

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 2019	-	1,719,109	385,488	2,104,597
Additions	791,195	-	-	791,195
Amortisation expense	(14,299)	(322,430)	(72,279)	(409,008)
Balance at 30 June 2019	776,896	1,396,679	313,209	2,486,784

Note 8. Current liabilities - derivative financial instruments

	Consolidated 2019 $	Consolidated 2018 $
Derivative - convertible loan notes	178,578	-

Refer to note 12 for further information on fair value measurement.

Refer to note 9 for further details on the convertible loan notes.

Note 9. Non-current liabilities - borrowings

	Consolidated 2019 $	Consolidated 2018 $
Convertible notes payable	1,076,960	-

On 8 March 2019 the Company issued 1,250,000 convertible notes at $1 per note. 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.

Note 10. Equity - issued capital

	Consolidated 2019 Shares	2018 Shares	2019 $	2018 $
Ordinary shares - fully paid	19,782,639	989,129,167	38,285,777	38,286,177

Note 10. Equity - issued capital (continued)

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Balance	31 December 2018	989,129,167		38,286,177
Share consolidation (ratio 1:50)	22 May 2019	(969,346,528)	$0.000	-
Share transaction costs		-	$0.000	(400)
Balance	30 June 2019	19,782,639		38,285,777

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.

Share buy-back
There is no current on-market share buy-back.

Note 11. Equity - dividends

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

Note 12. 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

Consolidated - 2019	Level 1 $	Level 2 $	Level 3 $	Total $
Liabilities				
Derivative	-	-	178,578	178,578
Total liabilities	-	-	178,578	178,578

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.

Note 12. Fair value measurement (continued)

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

Consolidated	Derivatives $
Balance at 1 January 2019	-
Additions	147,346
Fair value movement recognised in profit or loss	31,232
Balance at 30 June 2019	178,578

Note 13. Contingent liabilities

The consolidated entity has a bank guarantee in place with St. George Bank which amounts to $124,000 (31 December 2018: $124,000).

Note 14. Earnings per share

	Consolidated	
	2019 $	2018 $
Profit/(loss) after income tax attributable to the owners of Tambla Limited	12,442	(118,898)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	19,782,639	19,785,936
Weighted average number of ordinary shares used in calculating diluted earnings per share	19,782,639	19,785,936
	Cents	Cents
Basic earnings per share	0.0629	(0.6009)
Diluted earnings per share	0.0629	(0.6009)

The weighted average number of ordinary shares is calculated based on the number of ordinary shares that would have been in existence had the capital reorganisation occurred as at 1 January 2018.

1,011,308 (2018: 1,071,308) options and share performance rights on issue have been excluded from the weighted average number of ordinary shares used in calculating diluted earnings per share as they are considered anti-dilutive.

Note 15. Events after the reporting period

On 12 August 2019, the consolidated entity entered into a facility agreement with Mitchell Asset Management Pty Ltd to receive an advance of up to 80% of the consolidated entity’s research and development rebate. The total facility is $492,500. The interest rate is fixed at 1.25% and interest is charged monthly. The facility will expire on 31 October 2019.

No other matter or circumstance has arisen since 30 June 2019 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 2019 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

16 August 2019
Sydney

Level 17, 383 Kent Street
Sydney NSW 2000

Correspondence to:
Locked Bag Q800
QVB Post Office
Sydney NSW 1230

T +61 2 8297 2400
F +61 2 9299 4445
E info.nsw@au.gt.com
W www.grantthornton.com.

Independent Auditor's Review Report
To the Members of Tambla Limited

Report on the half year financial report

Conclusion

We have reviewed the accompanying half year financial report of Tambla Limited (the Company), which comprises the statement of financial position as at 30 June 2019, and the statement of profit or loss and other comprehensive income, statement of changes in equity and 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 consolidated entity as at 30 June 2019, 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*.

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 consolidated entity's financial position as at 30 June 2019 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.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001.*

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

M R Leivesley
Partner – Audit & Assurance

Sydney, 16 August 2019