



# FINANCIAL INFORMATION

FOR THE YEAR ENDED  
DECEMBER 2019



PROVIDED TO THE ASX  
UNDER LISTING RULE 4.3a

## APPENDIX 4E

### PRELIMINARY FINAL REPORT

#### Name of entity

TEMPO AUSTRALIA LIMITED AND CONTROLLED ENTITIES	
ABN or equivalent company reference:	51 000 689 725

#### 1. Reporting period

Report for the financial year ended	31 December 2019
Previous corresponding period is the financial year ended	31 December 2018

#### 2. Results for announcement to the market

Revenue and other income	Up	27%	to	\$53,216,982
Loss from ordinary activities after tax attributable to members	Up	253%	to	\$19,964,349
Net Loss for the period attributable to members	Up	253%	to	\$19,964,349
Dividends	Amount per security		Franked amount per security	
Interim dividend	Nil		Nil	
Final dividend	Nil		Nil	
Record date for determining entitlements to the dividend	NA			

#### 3. Net tangible assets per security

	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	2.5c	6.1c

#### Commentary on the results for the period

The net loss after tax was \$19.96M. This result was impacted by impairments of \$15.68M including goodwill and deferred tax assets attributable to businesses acquired in prior years, that have not at this point provided sustainable trading profits to justify carrying forward these intangible assets.

Revenue and other income increased to \$53.2M compared to \$41.8M in 2018. All parts of the business contributed to this increase.

The group had Net Assets value of \$8.5M at the year end, with a cash balance of \$7.3M, representing funds received from the rights issue capital raise of approximately \$3.7M and a cash positive operation of \$2.9M for the last quarter of the FY19.

The strategy for Tempo Asset Management Services (TAMS) is to remain focused on long term electrical maintenance contracts, and progressively expand into mechanical and facilities management services, initially with existing customers to add further value through the provision of broader service offerings.

The solar business has assembled a high-quality team of experienced people that are very familiar with the Energy Sector in Australia. This team has executed existing projects well and further growth in this sector is expected.

The traditional construction arm has been more selective in tendering for the projects and it is pleasing that all projects have been completed to clients' satisfaction. This is expected to lead to repeat business.

Since the Tempo Board changes in late 2018 and early 2019, and then complemented by the new CEO and CFO appointments made mid-year, the Group has stabilized its business and cash flows, introduced greater discipline in contracting and project execution and honed the focus on growth opportunities. The focus for 2020 is to continue with those actions and to achieve growth in a disciplined manner.

**Audit**

The annual financial report is in the process of being audited by PKF. The financial report is not likely to be the subject of dispute or qualification.

**4. Details of entities over which control has been gained or lost during the period:**

There were no entities where there was a change in control in 2019.

**5. Rounding**

The parent entity is a Company of the kind specified in ASIC Corporation Legislative Instrument 2016/191. In accordance with that class order, amounts contained in the consolidated financial statements have been rounded to the nearest thousand dollars (\$'000) unless specifically stated otherwise.

**Signature:** 

**Full Name:** William Herbert Howard  
**Title:** Executive Director, Chief Financial Officer & Company Secretary  
**Date:** 28 February 2020

TEMPO AUSTRALIA LTD AND CONTROLLED ENTITIES  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

		Consolidated entity	
	Note	2019 \$'000	2018 \$'000
Revenue		52,944	40,492
Other income		273	1,301
<b>Revenue and Other income</b>		<b>53,217</b>	<b>41,793</b>
Employee and director benefits expense		19,487	20,170
Administration costs		1,332	1,718
Occupancy costs		408	798
Depreciation and amortisation		1,399	639
Other expenses		394	128
Project material costs		10,611	8,661
Equipment and other subcontractor costs		22,635	11,596
Listing and other statutory charges		94	50
Interest and finance charges		198	126
Other professional expenses		940	679
Impairment expense		10,365	3,230
<b>Total expenses</b>		<b>67,862</b>	<b>47,795</b>
<b>Loss before income tax expense</b>		<b>(14,645)</b>	<b>(6,002)</b>
Income tax expense (provision DTA)		(5,319)	354
<b>Loss attributable to the members of the parent</b>		<b>(19,964)</b>	<b>(5,648)</b>
Other comprehensive income		-	-
<b>Total comprehensive loss</b>		<b>(19,964)</b>	<b>(5,648)</b>
<b>Net loss attributable to members of the parent entity</b>		<b>(19,964)</b>	<b>(5,648)</b>
<b>Loss per share</b>			
Basic loss – cents per share		(5.8)	(2.3)
Diluted loss – cents per share		(5.8)	(2.3)

TEMPO AUSTRALIA LTD AND CONTROLLED ENTITIES  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

		Consolidated entity	
	Note	2019 \$'000	2018 \$'000
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		7,340	4,766
Trade and other receivables		10,439	5,411
Contract assets		1,016	2,723
Inventories		505	402
Other assets		461	394
<b>Total current assets</b>		<b>19,761</b>	<b>13,696</b>
<b>NON-CURRENT ASSETS</b>			
Plant and equipment		3,338	2,312
Goodwill		-	9,230
Intangible Assets		-	466
Deferred tax assets		-	5,318
<b>Total non-current assets</b>		<b>3,338</b>	<b>17,326</b>
<b>Total assets</b>		<b>23,099</b>	<b>31,022</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		10,443	3,831
Interest bearing loans and borrowings		1,285	1,326
Provisions		805	679
<b>Total current liabilities</b>		<b>12,533</b>	<b>5,836</b>
<b>NON-CURRENT LIABILITIES</b>			
Interest bearing loans and borrowings		1,948	843
Deferred considerations		-	-
Provisions		118	58
<b>Total non-current liabilities</b>		<b>2,066</b>	<b>901</b>
<b>Total liabilities</b>		<b>14,599</b>	<b>6,737</b>
<b>Net assets</b>		<b>8,500</b>	<b>24,285</b>
<b>EQUITY</b>			
Contributed equity		84,056	80,341
Share option reserve		2,042	1,580
Accumulated losses		(77,598)	(57,636)
<b>Total equity</b>		<b>8,500</b>	<b>24,285</b>

TEMPO AUSTRALIA LTD AND CONTROLLED ENTITIES  
 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Consolidated		Contributed equity	Accumulated losses	Share Option Reserve	Total equity
	Note	\$'000	\$'000	\$'000	\$'000
<b>At 1 January 2018</b>		79,893	(51,988)	2,010	29,915
Loss for the year		-	(5,648)	-	(5,648)
Other comprehensive income		-	-	-	-
<b>Total comprehensive loss</b>		-	<b>(5,648)</b>	-	<b>(5,648)</b>
Share based payments		-	-	427	427
Reversal of uninvested options		-	-	(776)	(776)
Acquisition of treasury shares		(387)	-	-	(387)
Tax effect relating to share based payment		-	-	(81)	(81)
Tax effect relating to share issue cost		(15)	-	-	(15)
Other contributed equity on settlement of contingent consideration for acquisition of KP Electirc		850	-	-	850
<b>At 31 December 2018</b>		<b>80,341</b>	<b>(57,636)</b>	<b>1,580</b>	<b>24,285</b>
<b>At 1 January 2019</b>		80,341	(57,636)	1,580	24,285
Loss for the year		-	(19,962)	-	(19,962)
<b>Total comprehensive loss</b>		-	<b>(19,962)</b>	-	<b>(19,962)</b>
Share Issues		3,915	-	-	3,915
Share based payments		-	-	495	495
Reversal of uninvested options		-	-	(33)	(33)
Cost of Share Raising		(200)	-	-	(200)
<b>At 31 December 2019</b>		<b>84,056</b>	<b>(77,598)</b>	<b>2,042</b>	<b>8,500</b>

**TEMPO AUSTRALIA LTD AND CONTROLLED ENTITIES**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**

		Consolidated entity	
	Note	2019 \$'000	2018 \$'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipts from customers		51,582	43,001
Payments to suppliers and employees		(50,371)	(47,165)
Income tax paid		-	(209)
Interest and finance charges paid		(198)	(126)
Interest received		45	103
<b>Net cash used in operating activities</b>		<b>1,058</b>	<b>(4,396)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Payment for acquisition of business		-	(2,411)
Proceeds from sale of property, plant and equipment		12	740
Intangibles		-	-
Payments for property plant and equipment		(353)	(689)
<b>Net cash used in investing activities</b>		<b>(341)</b>	<b>(2,360)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Payment for shares acquisition of treasury shares		-	(387)
Proceeds from issue of equity instruments		3,915	-
Equity issue transaction cost		(200)	-
Proceeds from borrowings		16,415	1,149
Repayment of borrowings from borrowings		(18,273)	(257)
<b>Net cash used in financing activities</b>		<b>1,857</b>	<b>505</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>2,574</b>	<b>(6,251)</b>
Cash and cash equivalents at beginning of year		4,766	11,017
<b>Total cash and cash equivalents at the end of the year</b>		<b>7,340</b>	<b>4,766</b>