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FINANCIAL INFORMATION

**FOR THE YEAR ENDED
31 DECEMBER 2020**

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 2020 |
| Previous corresponding period is the financial year ended | 31 December 2019 |

2. Results for announcement to the market

| | | |
|---|----------------------------|-----------------------------|
| Revenue and other income | Down -43% | to \$30,428,000 |
| Profit from ordinary activities after tax attributable to members | from loss (\$19,964K) FY19 | to profit \$229K FY20 |
| Net Profit for the period attributable to members | from loss (\$19,964K) FY19 | to profit \$229K FY20 |
| 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 | 2.7c | 2.5c |

Commentary on the results for the period

The net profit after tax for this year was \$229K, an increase from the loss (\$19,964K) last year. Full year revenue in FY2020 was \$30,124K down from \$52,944K last year, which was impacted by the COVID-19 pandemic and the completion of construction projects.

The group had a Net Assets value of \$9,569K at the year end, with a cash balance of \$6,637K.

The cash receipts for the year are inclusive of \$2,299K from the Job Keeper program, \$200K from Cash Boost and \$158K Payroll tax refund from Victoria and Queensland.

The Strategy for Tempo Asset Management Services (TAMS) is to remain focused on long term electrical maintenance contracts, and progressively expand into facilities management services, initially with existing customers by adding further value through the provision of broader service offerings. The customer base is predominately blue chip Corporate and Government Agencies. Tempo has a number of significant opportunities in the TAMS pipeline.

The Company continues to look at Engineering and Construction opportunities, which are filtered using the Company's Risk Appetite Matrix before progressing with a bid. Since Year End Tempo finalised its construction activities from 2020 and now has no Construction Bonds outstanding.

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 2020.

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:

26 February 2021

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TEMPO AUSTRALIA LTD AND CONTROLLED ENTITIES
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
 INCOME**

| | Note | Consolidated entity | |
|---|------|---------------------|-----------------|
| | | 2020 \$'000 | 2019 \$'000 |
| Revenue | | 30,124 | 52,944 |
| Other income | | 304 | 273 |
| Revenue and other income | | 30,428 | 53,217 |
| Employee and director benefits expense | | 10,423 | 19,487 |
| Administration costs | | 1,026 | 1,332 |
| Occupancy costs | | 320 | 408 |
| Depreciation and amortisation | | 1,160 | 1,399 |
| Other expenses | | 73 | 394 |
| Project material costs | | 5,013 | 10,611 |
| Equipment and other subcontractor costs | | 11,521 | 22,634 |
| Listing and other statutory charges | | 97 | 94 |
| Interest and finance charges | | 164 | 198 |
| Other professional expenses | | 355 | 940 |
| Impairment expense | | 47 | 10,365 |
| Total expenses | | 30,199 | 67,862 |
| Profit/(Loss) before income tax expense | | 229 | (14,645) |
| Income tax (credit) / expense | | - | (5,319) |
| Profit/(Loss) attributable to the members of the parent | | 229 | (19,964) |
| Other comprehensive income | | - | - |
| Total comprehensive Profit/(Loss) | | 229 | (19,964) |
| Net Profit/(Loss) attributable to members of the parent entity | | 229 | (19,964) |
| Profit/(Loss) per share | | | |
| Basic Profit/(Loss) – cents per share | | 0.06 | (8.02) |
| Diluted Profit/(Loss) – cents per share | | 0.06 | (8.02) |

TEMPO AUSTRALIA LTD AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | Note | Consolidated entity 2020 \$'000 | 2019 \$'000 |
|---------------------------------------|------|---------------------------------------|----------------|
| CURRENT ASSETS | | | |
| Cash and cash equivalents | | 6,637 | 7,340 |
| Trade and other receivables | | 2,754 | 10,439 |
| Contract assets | | 2,163 | 1,016 |
| Inventories | | 166 | 505 |
| Other assets | | 424 | 461 |
| Total current assets | | 12,144 | 19,761 |
| NON-CURRENT ASSETS | | | |
| Plant and equipment | | 2,459 | 3,338 |
| Other assets | | 804 | - |
| Total non-current assets | | 3,263 | 3,338 |
| Total assets | | 15,407 | 23,099 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | | 2,533 | 10,443 |
| Interest bearing loans and borrowings | | 1,034 | 1,285 |
| Provisions | | 942 | 805 |
| Total current liabilities | | 4,509 | 12,533 |
| NON-CURRENT LIABILITIES | | | |
| Interest bearing loans and borrowings | | 1,250 | 1,948 |
| Provisions | | 79 | 118 |
| Total non-current liabilities | | 1,329 | 2,066 |
| Total liabilities | | 5,838 | 14,599 |
| Net assets | | 9,569 | 8,500 |
| EQUITY | | | |
| Contributed equity | | 84,842 | 84,056 |
| Share option reserve | | 1,634 | 2,042 |
| Accumulated losses | | (76,907) | (77,598) |
| Total equity | | 9,569 | 8,500 |

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

| | Contributed equity | Accumulated losses | Share Option Reserve | Total equity |
|--|-----------------------|-----------------------|----------------------------|-----------------|
| Note | \$'000 | \$'000 | \$'000 | \$'000 |
| At 1 January 2019 | 80,341 | (57,636) | 1,580 | 24,285 |
| Loss for the year | - | (19,962) | - | (19,962) |
| Other comprehensive income | - | - | - | - |
| Total comprehensive loss | - | (19,962) | - | (19,962) |
| Share issues | 3,915 | - | - | 3,915 |
| Share based payments | - | - | 495 | 495 |
| Reversal of unvested options | - | - | (33) | (33) |
| Cost of share raising | (200) | - | - | (200) |
| At 31 December 2019 | 84,056 | (77,598) | 2,042 | 8,500 |
| At 1 January 2020 | 84,056 | (77,598) | 2,042 | 8,500 |
| Profit for the year | - | 229 | - | 229 |
| Other comprehensive income | - | - | - | - |
| Total comprehensive profit | - | 229 | - | 229 |
| Share issues | 804 | - | - | 804 |
| Share based payments | - | - | 54 | 54 |
| Transfer on the cancellation of performance rights | - | 462 | (462) | - |
| Cost of share raising | (18) | - | - | (18) |
| At 31 December 2020 | 84,842 | (76,907) | 1,634 | 9,569 |

TEMPO AUSTRALIA LTD AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CASH FLOWS

| | Note | Consolidated entity | |
|---|------|---------------------|----------------|
| | | 2020 \$'000 | 2019 \$'000 |
| CASH FLOW FROM OPERATING ACTIVITIES | | | |
| Receipts from customers | | 35,330 | 51,652 |
| Payments to suppliers and employees | | (34,517) | (50,441) |
| Interest and finance charges paid | | (213) | (198) |
| Interest received | | 49 | 45 |
| Net cash generated by operating activities | | 649 | 1,058 |
| CASH FLOW FROM INVESTING ACTIVITIES | | | |
| Proceeds from sale of property, plant and equipment | | 438 | 12 |
| Payments for property, plant and equipment | | (103) | (353) |
| Net cash generated by /(used in) investing activities | | 335 | (341) |
| CASH FLOW FROM FINANCING ACTIVITIES | | | |
| Proceeds from issue of equity instruments | | (41) | 3,715 |
| Proceeds from borrowings | | - | 16,415 |
| Repayment of borrowings | | (1,646) | (18,273) |
| Net cash (used in) / generated by financing activities | | (1,687) | 1,857 |
| Net increase (decrease) in cash and cash equivalents | | (703) | 2,574 |
| Cash and cash equivalents at beginning of year | | 7,340 | 4,766 |
| Total cash and cash equivalents at the end of the year | | 6,637 | 7,340 |

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