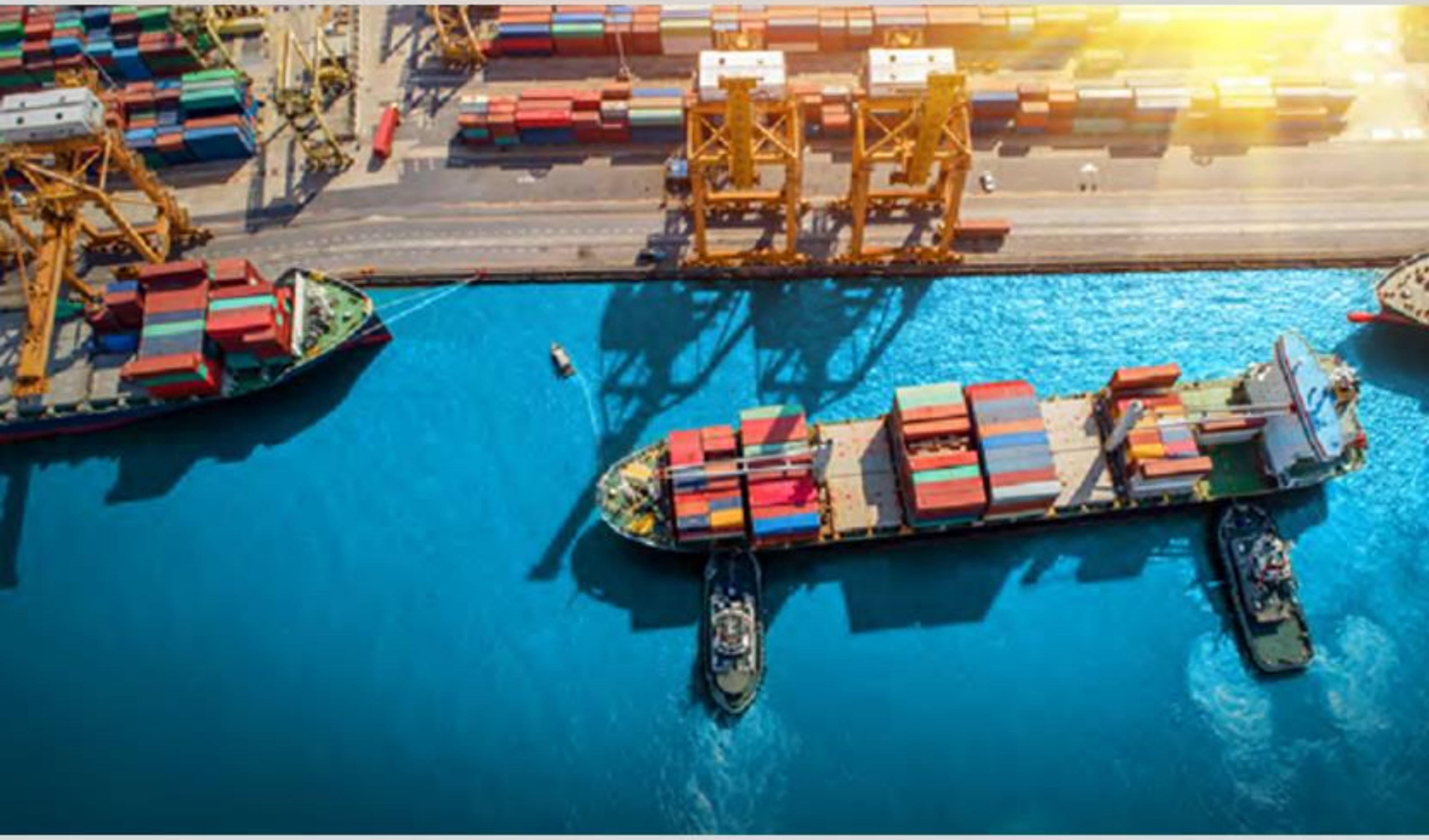

2020

ANNUAL REPORT

TEMPO AUSTRALIA LIMITED

Tempo Australia Limited

ABN 51 000 689 725

Consolidated Financial Statements

For the Year Ended 31 December 2020

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FOR THE YEAR ENDED 31 December 2020

Corporate Governance Statement

The Board is committed to achieving and demonstrating the highest standards of corporate governance. The Board continues to refine and improve the governance framework and practices in place to ensure they meet the interests of shareholders. Tempo complies with the Australian Securities Exchange (ASX) Corporate Governance Council's Corporate Governance Principles and Recommendations (the Principles).

DIRECTORS' REPORT

The Directors present this report together with the financial report of the consolidated entity consisting of Tempo Australia Limited (Tempo) and the entities it controls, for the financial year ended 31 December 2020 and the auditor's report thereon.

DIRECTORS

The following persons were directors of Tempo during the financial year and up to the date of this report, unless otherwise stated:

Guido Belgiorno-Nettis
William Howard
Charles Rottier
Christopher Cook (Appointed on 19 March 2021)
David Iverach (Resigned on 4 March 2021)

PRINCIPAL ACTIVITIES

During the financial year the continuing activities of the consolidated entity consisted of:

- Asset management and maintenance,
- Construction across the infrastructure, telecommunications, resources, power, renewable energy, industrial and commercial sectors. As evidenced by the results there has been limited opportunity in the past year.

REVIEW OF OPERATIONS & RESULTS

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 result of the COVID-19 pandemic and 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 while expanding into facilities management services. The expansion of services will initially be through existing customers where TAMS can use its customer knowledge and experience to provide a broader service offerings. The current customer base is predominately blue chip Corporates and Government Agencies. Tempo has a number of opportunities in the TAMS pipeline, but nothing to advise the market on at the current time. It is a difficult market in maintenance which is still seeing the effects of the Pandemic on our clients resulting in uncertain client investment time frames.

Tempo remains interested in Engineering and Construction opportunities, which are filtered using Tempo's Risk Appetite Matrix before progressing with a bid. The construction and engineering market continues to be extremely difficult. Tempo continues to look at expanding our activities in renewable energy, and as outlined previously, is focussed on opportunities in technology based infrastructure. The available technologies in the renewable sector are quite diverse and progress slow due to the impacts of the Pandemic. The development horizon for the application of new technology in renewable energy opportunities is expected to extend into next financial year.

Since Year End Tempo finalised its construction activities from 2020 and now has no Construction Bonds outstanding.

FUTURE DEVELOPMENTS AND EVENTS AFTER THE REPORT PERIOD

The Board of Tempo has and will continue to address the potential effect of the Corona Virus on the business. Tempo will continue to receive Job Keeper through to March 2021. The reduced revenue impact of Corona virus in FY20 continues to effect Company performance.

We have implemented a program of ongoing WHS initiatives, procedures and protocols to maximise the safety of our staff, customers, and members of the public. Our current success in this area has reduced our LTIFR from over 8 to nil over the past year.

We are in regular contact with our key clients to see if there are any additional services we can deliver given that our people are already at their sites.

The Board and Management review business levels consistently and will continue to address costs and reductions in working capital where possible.

We continue to fulfill our continuous disclosure obligation and provide updates if and when necessary.

ENVIRONMENTAL REGULATION AND PERFORMANCE

During 2020 the Group maintained its accreditations for:

1. Quality management system to ISO 9001;
2. Environment management system to ISO 14001:2015; and
3. Occupational health and safety certification to ISO AS/NZS4801:2001.

DIVIDENDS PAID, RECOMMENDED AND DECLARED

No dividends were paid, declared, or recommended since the start of the financial year.

INDEMNIFICATION AND INSURANCE OF DIRECTORS, OFFICERS AND AUDITORS

For the year ended 31 December 2020, Tempo continued to indemnify Directors and Officers of Tempo against all liabilities to persons (other than Tempo or related body corporate) which arise out of the performance of their normal duties as Directors or Executive Officers unless the liability relates to conduct involving lack of good faith.

Tempo also continues to indemnify the Directors and Executive Officers against all costs and expenses incurred in defending an action that falls within the scope of the indemnity. The Directors' and Officers' liability insurance provides cover against costs and expenses involved in defending legal actions and any resulting payments arising from a liability to persons (other than Tempo) incurred in their position as a Director or Executive Officer unless the conduct involves a wilful breach of duty or an improper use of inside information or position to gain advantage.

The insurance policy does not allow specific disclosure of the nature of the liabilities insured against or the premium paid under the policy.

PROCEEDINGS ON BEHALF OF THE CONSOLIDATED ENTITY

No person has applied for the leave of Court to bring proceedings on behalf of the consolidated entity.

INFORMATION ON DIRECTORS AND COMPANY SECRETARY

The directors of Tempo during the financial year and up to the date of this report are provided below, together with Company Secretary.

MR GUIDO BELGIORNO-NETTIS AM – NON-EXECUTIVE CHAIRPERSON

BE MBA, FIEAust

Appointment:	Appointed as Non-Executive Chairman 11 July 2019 Appointed as Executive Chairman 29 April 2019 Appointed as Non-Executive Director 22 December 2016
Experience and Expertise:	Guido is Managing Director of the private company, Transfield Holdings Pty Ltd, which changed business focus in 2001 from Engineering and Construction to private equity. Leading up to this change, Guido held a number of key positions within the Transfield Group, including Managing Director, CEO Transfield Engineering and Construction, and Project Development Director. In 2015 he founded Angophora Capital Pty Ltd. Guido is Chairperson of the Australian Chamber Orchestra, and a Member of the Australian School of Business Advisory Council. He was named a Member of the Order of Australia in 2007 for service to the construction industry and the arts. He holds a Bachelor of Engineering from UNSW and an MBA from AGSM and is a Fellow of Engineers Australia. Guido is currently a member of the Group's Nominations and Remuneration Committee; the HSE Committee and the Audit & Compliance Committee. During his appointment as a Non-Executive Director, but prior to his appointment as Non-Executive Chairperson, Guido was the Chairperson of the Group's Risk, HSE and Commercial Committee and a member of the Nominations and Remuneration Committee and the Audit & Compliance Committee.
Directorships:	Current directorships in other listed companies: None Directorships in listed companies in the last three years: None

MR WILLIAM HOWARD – EXECUTIVE DIRECTOR, CFO AND COMPANY SECRETARY

BFinAdmin

Appointment:	Appointed as Executive Director 15 August 2019
Experience and Expertise:	William brings significant experience to these roles having recently served for three years as the CFO of a Financial Services company in Western Sydney where he, realigned financial systems, operations and reporting. William also managed the due diligence processes for interested parties on potential acquisitions. Prior to this, William had performed the role of General Manager Finance to a mining services business in the Hunter Valley, whilst managing and operating his own labour hire company. The preceding decade saw William as Regional Operations Manager at AJ Lucas and previous to that with Lahey Constructions Pty Ltd as General Manager Finance. William holds a Bachelor of Financial Administration and is a qualified Accountant.
Directorships:	Current directorships in other listed companies: None Directorships in listed companies in the last three years: None

MR CHARLES ROTTIER – NON-EXECUTIVE DIRECTOR

BE (Hons), GAICD and FIEAust

Appointment:	Appointed as Non-Executive Director 18 March 2020
Experience and Expertise:	Charles is an experienced executive and director with significant experience in engineering, construction and maintenance services companies. Charles has experience working in Australia, New Zealand, Papua New Guinea, Singapore, Thailand, Malaysia, China and the United Kingdom. Management responsibilities include full P&L responsibility for Australian and International business units, managing due diligence and integration of acquisitions and establishing new business opportunities for both stand-alone businesses and significant joint ventures. Until recently he was Chairman of LogiCamms. He is currently Chair of the Future Fuels CRC and has previously held the roles of CEO of Austin Engineering Limited and EGM Engineering and Construction at Transfield Services. Charles is the current Chairperson of the Group's HSE Committee.
Directorships:	Current directorships in other listed companies: None Directorships in listed companies in the last three years: Chairman of LogiCamms from July 2019 to February 2020, Director of LogiCamms September 2017 to June 2019

MR CHRISTOPHER COOK – NON-EXECUTIVE DIRECTOR

BSc (Hons), MBA

Appointment:	Appointed as Non-Executive Director on 19 March 2021 Appointed as Alternate Non-Executive Director to David Iverach and Guido Belgiorno-Nettis on 26 November 2020
Experience and Expertise:	Chris is currently the Chief Executive Officer for Angophora Capital and serves as an investment advisor to Transfield Holdings. Chris has been involved in a number of water, telecommunication and renewable projects in Australia, Europe, USA and the Middle East. Chris served on the Advisory Board of Novatec Solar GmbH and remains on the Operations Committee for the Sydney Harbour Tunnel and Investment Committee for Transfield Holdings.
Directorships:	Current directorships in other listed companies: None Directorships in listed companies in the last three years: None

DR DAVID IVERACH – NON-EXECUTIVE DIRECTOR

BE (Hons), Grad Dip Fuel Technology, PhD

Resignation:	Resigned as Non-Executive Director 4 March 2021
Experience and Expertise:	David has over 45 years' experience at the executive level in the public and private sectors and has served on several boards. David's time at Transfield included a broad range of strategic and operational positions. He played a leading role in the formation of several Transfield businesses and projects, including the formation of Transfield Services as a standalone business unit and the entry of Transfield into the renewable energy sector. Roles included Commercial

	Director of Transfield Construction, CEO Energy, CEO Investments and Project Director in the development phase of several large-scale infrastructure projects. Prior to joining Transfield in 1990, David was Director General of Transport in the NSW Government with oversight of rail, roads, ports, grain handling and public transport. David is the current Chairperson of the Group's Nominations and Remuneration Committee and a member of the Audit & Compliance Committee.
Directorships:	Current directorships in other listed companies: None Directorships in listed companies in the last three years: None

COMPANY SECRETARY

MR WILLIAM HOWARD – COMPANY SECRETARY

BFinAdmin

Appointment:	Appointed as Executive Director 15 August 2020 and Company Secretary 15 July 2020
Experience and Expertise:	William brings significant experience to both these roles having served for the past three years as the CFO of a Financial Services company in Western Sydney where he, realigned financial systems, operations and reporting. William also managed the due diligence processes for interested parties on potential acquisitions. Prior to this, William had performed the role of General Manager Finance to a mining services business in the Hunter Valley, whilst managing and operating his own labour hire company. The preceding decade saw William as Regional Operations Manager at AJ Lucas and previous to that with Lahey Constructions Pty Ltd as General Manager Finance. William holds a Bachelor of Financial Administration and is a qualified Accountant.
Directorships:	Current directorships in other listed companies: None Directorships in listed companies in the last three years: None

MEETINGS OF DIRECTORS

The number of meetings of the Board of Directors and of each Board committee held during the financial year and the numbers of meetings attended by each director were:

	Directors' Meetings		Audit and Compliance Committee		Nomination and Remuneration Committee		Risk, HSE and Commercial Committee	
	Held	**Attended**	**Held**	**Attended**	**Held**	**Attended**	**Held**	**Attended**
Guido Belgiorno-Nettis	11	11	2	2	1	1	3	3
William Howard	11	11	2	2	1	1	3	3
David Iverach	11	11	2	2	1	1	3	3
Charles Rottier[1]	9	9	0	0	0	0	5	5
Christopher Cook[2]	1	1	0	0	0	0	0	0

1. *Charles Rottier was appointed as Non-Executive Director on 18 March 2020*
2. *Christopher Cook was appointed as Alternate Non-Executive Director for David Iverach and Guido Belgiorno-Nettis on 26 November 2020 and appointed as Non-Executive Director on 19 March 2021*

DIRECTORS' INTERESTS IN SHARES AND RIGHTS OVER SHARES

Current directors' relevant interests in shares of Tempo or options over shares in Tempo at the date of this report are detailed below.

	Ordinary Shares	Rights over ordinary shares
Guido Belgiorno-Nettis	83,322,371	-
William Howard	3,324,246	2,800,000
Charles Rottier	160,000	-
Christopher Cook	462,791	-

AUDITORS' INDEPENDENCE DECLARATION

A copy of the auditors' independence declaration in relation to the audit for the financial year is provided within this financial report on page 12.

NON-AUDIT SERVICES

Fees paid to PKF (NS) Audit & Assurance Ltd Partnership for tax and consulting services to the Group totalled $61,150.

SHARE OPTIONS

Unissued shares

As at the date of this report, there were no unissued ordinary shares under options.

Shares issued as a result of the exercise of options

During the financial year no options were exercised.

REMUNERATION REPORT – AUDITED

REMUNERATION POLICIES

The Board policy for determining the nature and amount of remuneration of Directors and Executives is agreed by the Board of Directors as a whole. The Board structures remuneration so that it rewards those who perform and is strongly aligned with Tempo's strategic direction and the creation of value to shareholders. The performance of Tempo depends on the quality of its employees. To grow, Tempo must attract, motivate, and retain skilled employees, which includes the Directors and Executives. To this end, Tempo utilises the principles of providing competitive rewards to attract and retain high calibre executives. In determining the remuneration levels of employees and executives, the Board takes into consideration the performance of the Group, operation, function, and geographic regions as well as that of the individual. The Board obtains professional advice where necessary to ensure that Tempo attracts and retains talented and motivated Directors and Employees who can enhance Tempo's performance through their contributions and leadership.

For Executives, Tempo provides a remuneration package that incorporates both fixed cash-based remuneration and variable remuneration consisting of short and long-term incentive opportunities, that may include, performance-based cash remuneration and share-based remuneration. Directors received fixed fees for their services. The contracts for service between Tempo and Directors and Executives are on a continuing basis, the terms of which are not expected to change in the immediate future aside from normal negotiations on contracts as they approach their conclusion and the normal annual review processes.

No remuneration consultants were engaged during the year.

Short-Term Incentive Plan (STIP)

For second tier Key Management Personnel (KMP), a Short-Term Incentive Plan (STIP) has been developed which enables eligible members to a cash bonus, based on annual performance of Tempo against a range of metrics and at the discretion of the Board. These targets include performance against financial metrics such as profitability, cash flow, overhead costs, and order intake; leadership targets, such as strategic positioning, investor engagement and management team development; operational metrics such as audit performance, system development and reporting; Risk and HSE targets.

Long-Term Incentive Plan (LTIP)

A Long-Term Incentive Plan (LTIP) has also been developed which will grant eligible employees to performance rights in Tempo. Any issue (at the discretion of the Board) under the LTIP would likely be subject to vesting over the following three years subject to performance of the Total Shareholder Returns (TSR) of Tempo versus the ASX300 over the vesting. The TSR is chosen to embed shareholder interests directly into the remuneration structure. Nil rights were vested during the year 2020. There were 12M performance rights cancelled and additional 5.9M performance rights granted to senior executives in 2020 due to the dilutionary impact of the rights issue completed by Tempo in December 2019.

Non-Executive Director Remuneration

Non-executive Directors receive fees and may also receive a share-based remuneration. Tempo determines the maximum amount for remuneration, including thresholds for share-based remuneration, for Directors by resolution. ASX listing rules require the aggregate Non-executive Director's remuneration be determined periodically by a general meeting.

Voting and comments made at Tempo's 22 May 2020 Annual General Meeting ('AGM')

At the last AGM held on 22 May 2020, 99.7% of the votes received supported the adoption of the remuneration report for the year ended 31 December 2019. Tempo did not receive any specific feedback at the AGM regarding its remuneration practices.

DIRECTORS' COMPENSATION

The directors during the year ended 31 December 2020 were:

Guido Belgiorno-Nettis	Executive Chairman - Appointed as Non-Executive Chairman 11 July 2019 - Appointed as Executive Chairman 29 April 2019 - Appointed as Non-Executive Director 22 December 2016
William Howard	Executive Director - Appointed as Executive Director 15 August 2019 - Appointed as Chief Financial Officer and Company Secretary 15 July 2019
David Iverach	Non-Executive Director - Appointed as Non-Executive Director 10 December 2018
Charles Rottier	Non-Executive Director - Appointed as Non-Executive Director 18 March 2020
Christopher Cook	Alternate Non-Executive Director for David Iverach and Guido Belgiorno-Nettis - Appointed as Alternate Non-Executive Director for David Iverach and Guido Belgiorno-Nettis 26 November 2020

- David Iverach resigned as Non-Executive Director 4 March 2021
- Chris Cook appointed as Non-Executive Director on 19 March 2021

EXECUTIVES' COMPENSATION

Other key management personnel during the year ended 31 December 2020 were:

Paul Dalgleish	Chief Executive Officer - Appointed as Chief Executive Officer 15 July 2019
John Cuffe	Executive General Manager TAMS - Appointed as Executive General Manager TAMS 15 April 2020

DIRECTORS AND KMP REMUNERATION FOR THE YEARS ENDED 31 DECEMBER 2020 AND 31 DECEMBER 2019

		Short-term benefits		Post-employment	Long-term benefits		Share-based payments		Termination payments	Total remuneration	Performance related
		Salary & Fees	Non monetary benefits	Super-annuation	Long service leave	Annual leave	Share Options	Performance Rights			(%)
Guido Belgiorno-Nettis[1]	2020	47,667	-	-	-	-	-	-	-	47,667	0%
	2019	16,601	-	-	-	-	-	-	-	16,601	0%
William Howard[2]	2020	340,000	-	26,030	-	22,813	-	7,699	-	396,542	2%
	2019	127,916	-	10,396	-	10,401	-	3,586	-	152,300	2%
David Iverach[3]	2020	38,768	-	3,683	-	-	-	-	-	42,451	0%
	2019	14,846	-	1,410	-	-	-	-	-	16,256	0%
Charles Rottier[4]	2020	42,215	-	-	-	-	-	-	-	42,215	0%
	2019	-	-	-	-	-	-	-	-	-	
Christopher Cook[5]	2020	-	-	-	-	-	-	-	-	-	
	2019	-	-	-	-	-	-	-	-	-	
Paul Dalgleish[6]	2020	360,000	5,658	22,273	-	18,148	-	(415,769)	-	(9,691)	4290%
	2019	168,000	-	10,501	-	12,693	-	483,478	-	674,671	72%
John Cuffe [7]	2020	206,346	-	16,675		15,849	-	-	-	238,870	0%
	2019	-	-	-	-	-	-	-	-	-	
Ian Lynass[8]	2020	-	-	-	-	-	-	-	-	-	
	2019	303,026	-	16,493	-	-	-	(25,147)	26,320	320,692	-8%
Scott Macdonald[9]	2020	-	-	-	-	-	-	-	-	-	
	2019	171,318	-	12,970	-	-	-	-	-	184,288	0%
Ian Widdicombe[10]	2020	-	-	-	-	-	-	-	-	-	
	2019	3,848	-	325	-	-	-	-	-	4,173	0%
TOTAL DIRECTORS	**2020**	**1,034,996**	**5,658**	**68,661**	**-**	**56,810**	**-**	**(408,070)**	**-**	**758,054**	
AND KMP	**2019**	**805,554**	**-**	**52,097**	**-**	**23,094**	**-**	**461,917**	**26,320**	**1,368,981**	

1. Guido Belgiorno-Nettis was appointed as Non-Executive Director on 22 December 2016, Executive Chairmann on 29 April 2019 and Non-Executive Chairman on 11 July 2019

2. William Howard was appointed as Chief Financial Officer and Company Secretary on 15 July 2019, as Executive Director on 15 August 2019

3. David Iverach retired as Alternate Non-Executive Director to Guido Belgiorno-Nettis on 21 March 2018, was appointed Non-Executive Director on 10 December 2018 and resigned as Non-Executive Director on 4 March 2021.

4. Charles Rottier was appointed as Non-Executive Director on 18 March 2020

5. Christopher Cook was appointed as Alternate Non-Executive Director for David Iverach and Guido Belgiorno-Nettis on 26 November 2020 and appointed as Non-Executive Director on 19 March 2021

6. Paul Dalgleish was appointed as Chief Executive Officer on 15 July 2019

7. John Cuffe was appointed as Executive General Manager TAMS on 15 April 2020

8. Ian Lynass resigned as Managing Director on 29 April 2019 and resigned as Non-Executive Director on 16 August 2019

9. Scott Macdonald resigned as Chief Financial Officer and Company Secretary on 17 April 2019

10. Ian Widdicombe resigned on 03 April 2019

Please note that the comparatives have been restated for the classification of annual leave as a long-term benefit in line with accounting policy

SHAREHOLDING OF KMP

Shares held in Tempo.

	Balance 1 January 2020	Balance at appointment as KMP	Issued on exercise of performance rights	Net change other #	Balance 31 December 2020
Guido Belgiorno-Nettis[1]	83,322,371	-	-	-	83,322,371
William Howard[2]	324,246	-	-	3,000,000	3,324,246
David Iverach[3]	6,845,216	-	-	-	6,845,216
Charles Rottier[4]	-	-	-	100,000	100,000
Christopher Cook[5]	462,791	-	-	-	462,791
Paul Dalgleish[6]	-	-	-	17,100,000	17,100,000
John Cuffe [7]	-	-	-	-	-
TOTAL	**90,954,624**	**-**	**-**	**20,200,000**	**111,154,624**

 # These movements represent on-market purchase of shares during the year by the respective KMPs.

Includes shares held directly, indirectly and beneficially by KMP.

1. *Guido Belgiorno-Nettis was appointed as Non-Executive Director on 22 December 2016, Executive Chairmann on 29 April 2019 and Non-Executive Chairman on 11 July 2019*
2. *William Howard was appointed as Chief Financial Officer and Company Secretory on 15 July 2019, as Executive Director on 15 August 2019*
3. *David Iverach retired as Alternate Non-Executive Director to Guido Belgiorno-Nettis on 21 March 2018, was appointed Non-Executive Director on 10 December 2018 and resigned as Non-Executive Director on 4 March 2021.*
4. *Charles Rottier was appointed as Non-Executive Director on 18 March 2020*
5. *Christopher Cook was appointed as Alternate Non-Executive Director for David Iverach and Guido Belgiorno-Nettis on 26 November 2020 and appointed as Non-Executive Director on 19 March 2021*
6. *Paul Dalgleish was appointed as Chief Executive Officer on 15 July 2019*
7. *John Cuffe was appointed as Executive General Manager TAMS on 15 April 2020*

RIGHTS HOLDING OF KMP

The number of rights over ordinary shares in the parent entity held during the financial year by each Director and other members of key management personnel of the consolidated entity, including their personally related parties is set out below.

	Balance at the start of the year [a]	Granted as remuneration [b]	Rights cancelled [c]	Rights forfeited	Balance at the end of the year	Vested at end of year	Vested and exercisable at end of year	Vested and exercisable at end of year
William Howard	2,000,000	800,000	-	-	2,800,000	-	-	-
Paul Dalgleish	24,000,000	5,100,000	(12,000,000)	-	17,100,000	-	-	-
TOTAL	**26,000,000**	**5,900,000**	**(12,000,000)**	**-**	**19,900,000**	**-**	**-**	**-**

a. The performance rights were granted at employment commencement and accordingly ongoing performance conditions were set as this was issued as a sign on bonus. The performance rights granted are subject to continued employment over five years of service.

b. Additional performance rights granted to senior executives in 2020 due to the dilutionary impact of the rights issue completed in December 2019

c. Perfomance rights cancelled and replaced with Loan funded shares

PERFORMANCE RIGHTS AWARDED, VESTED AND LAPSED DURING THE YEAR

The table below discloses the number of performance rights granted, vested, or lapsed during the year.

	Financial year granted	Number of Rights Granted	Grant date	Fair value per right at award date ($)	Vesting date	Expiry date	No. vested during year	No. forfeited during year	Value of rights vested during the year ($)
William Howard	2020	800,000	5/02/20	0.02		14/07/24	-	-	-
Paul Dalgleish	2020	5,100,000	5/02/20	0.01		14/07/24	-	-	-

ADDITIONAL INFORMATION

The earnings of the consolidated entity for the five years to 31 December 2020 are summarised below:

	2020 $'000	2019 $'000	2018 $'000	2017 $'000	2016 $'000
Revenue and other income (excluding interest income)	30,428	53,217	41,691	18,114	81,142
EBITDA	776	(2,683)	(5,400)	(1,794)	6,393
EBIT	229	(14,645)	(6,039)	(2,397)	6,201
Profit/(Loss) after income tax	229	(19,964)	(5,648)	(1,047)	5,455

The factors that are considered to affect total shareholders return ('TSR') are summarised below					
Share price at financial year end ($)	0.061	0.049	0.145	0.240	0.230
Total dividends declared (cents per share)	-	-	-	-	-
Basic earning/(loss) per share (cents per share)	0.065	(8.020)	(2.344)	(0.435)	2.713

DIRECTOR AND KMP AGREEMENTS

Tempo currently has service agreements with its Executive and Non-executive Directors. The agreements detailing the formal terms and conditions of the appointment, expected time commitment, procedure regarding conflicts of interest, performance appraisal, remuneration, superannuation, and insurance arrangements. Tempo Constitution governs the election and appointment of directors, rotation of elected directors, casual vacancies, and eligibility for election. The terms and entitlements of Non-executive Directors are governed by normal employment law.

The following summarises the key provisions of service agreements with executives:

Name:	Guido Belgiorno-Nettis
Title:	Non-Executive Director
Agreement commenced:	22 December 2016
Remuneration revised:	01 May 2020
Details:	$85,000 adjusted to $64,000 [Covid Adjustment] per annum inclusive of superannuation (if applicable)

Name:	David Iverach
Title:	Non-Executive Director
Agreement Commenced:	10 December 2018
Remuneration revised:	01 May 2020
Agreement ended:	4 March 2021
Details:	$65,000 adjusted to $52,000 [Covid adjustment] per annum inclusive of superannuation (if applicable)

Name:	William Howard
Title:	Executive Director
Agreement commenced:	15 July 2019
Terms of agreement:	Permanent full time
Details:	Base salary of $295,000 per annum plus superannuation. Six months termination notice by either party, STI up to 40% and performance rights subject to the satisfaction of specified milestones and performance criteria (both individual and company).
Name:	Charles Rottier
Title:	Non-Executive Director
Agreement commenced:	18 March 2020
Details:	$65,000 adjusted to $52,000 [Covid adjustment] per annum inclusive of superannuation (if applicable)
Name:	Christopher James Cook
Title:	Non-Executive Director
Agreement commenced:	19 March 2021
Details:	$65,000 adjusted to $52,000 [Covid adjustment] per annum inclusive of superannuation (if applicable)

Tempo has non-fixed term employment contracts with its Executives. The contracts detail the formal terms and conditions of the employment.

Name:	Paul Dalgleish
Title:	Chief Executive Officer
Agreement commenced:	15 July 2019
Terms of agreement:	Permanent full time
Details:	Base salary of $360,000 per annum plus superannuation. Six months termination notice by either party, performance rights subject to the satisfaction of specified milestones and performance criteria of Tempo.
Name:	John Cuffe
Title:	Executive General Manager TAMS
Agreement commenced:	15 April 2020
Terms of agreement:	Permanent full time
Details:	Base salary of $290,000 per annum plus superannuation. Six months termination notice for the first twelve-month period, reducing to three months after the initial twelve-month term.

Signed in accordance with a Resolution of the Directors.

William Howard
Executive Director, Chief Financial Officer and Company Secretary
Date: 31 March 2021

AUDITOR'S INDEPENDENCE DECLARATION

PKF

Tempo Australia Limited

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Tempo Australia Limited and Controlled Entities

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2020, there have been:

(i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

PKF

PKF

STobutt

SCOTT TOBUTT
PARTNER

31 MARCH 2021
SYDNEY, NSW

PKF(NS) Audit & Assurance Limited Partnership
ABN 91 850 861 839

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	Consolidated entity 2020 $'000	2019 $'000
Revenue	4	30,124	52,944
Other income	4	304	273
Revenue and other income		**30,428**	**53,217**
Employee and director benefits expense	6	10,423	19,487
Administration costs		1,026	1,332
Occupancy costs		320	408
Depreciation and amortisation	12, 13	1,160	1,399
Other expenses	5	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	12, 13, 14	47	10,365
Total expenses		**30,199**	**67,862**
Profit/(Loss) before income tax expense		**229**	**(14,645)**
Income tax (credit) / expense	7	-	(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	21	0.06	(8.02)
Diluted Profit/(Loss) – cents per share	21	0.06	(8.02)

The accompanying notes from part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

		Consolidated entity	
		2020	2019
	Note	$'000	$'000
CURRENT ASSETS			
Cash and cash equivalents	8	6,637	7,340
Trade and other receivables	9	2,754	10,439
Contract assets	10	2,163	1,016
Inventories	11	166	505
Other assets		424	461
Total current assets		**12,144**	**19,761**
NON-CURRENT ASSETS			
Plant and equipment	12	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	16	2,533	10,443
Interest bearing loans and borrowings	17	1,034	1,285
Provisions	18	942	805
Total current liabilities		**4,509**	**12,533**
NON-CURRENT LIABILITIES			
Interest bearing loans and borrowings	17	1,250	1,948
Provisions	18	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	19	84,842	84,056
Share option reserve	19	1,634	2,042
Accumulated losses		(76,907)	(77,598)
Total equity		**9,569**	**8,500**

The accompanying notes from part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	Contributed equity $'000	Accumulated losses $'000	Share Option Reserve $'000	Total equity $'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**

The accompanying notes from part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	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	**20**	**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			
(Raising costs)/proceeds from issue of equity instruments	19	(41)	3,715
Proceeds from borrowings	17	-	16,415
Repayment of borrowings	17	(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**

The accompanying notes from part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Corporate information

The consolidated financial statements of Tempo Australia Limited (Tempo) and its subsidiaries (collectively, the Group) were authorised for issue in accordance with a resolution of the director's 31 March 2021. Tempo is a for profit company limited by shares, incorporated in Australia whose shares are publicly traded on the Australian Stock Exchange. Tempo's registered office is c/o Company Matters Pty Limited, Level 12, 680 George Street, Sydney NSW 2000

The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

The nature of the operations and principal activities of the consolidated entity are described in the Directors' Report.

Rounding

The amounts contained in the financial report have been rounded to the nearest $1,000 (where rounding is applicable) where noted ($'000) under the option available to Tempo under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. Tempo is an entity to which this legislative instrument applies.

2 Significant accounting policies

2.1 Basis of preparation

The consolidated financial statements are general-purpose financial statements, which have been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards, and other authoritative pronouncements *of the Australian Accounting Standards Board (AASB).*

2.2 Change in accounting policy

New and amended accounting standards and interpretations

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 early adopted.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

Conceptual Framework for Financial Reporting (Conceptual Framework)

The consolidated entity has adopted the revised Conceptual Framework from 1 January 2020. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the consolidated entity's financial statements.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 31 December 2020. Management do not expect material impact to arise for the consolidated entity from the future application of these new or amended Accounting Standards and Interpretations.

2.2 Basis of consolidation

The consolidated financial statements include the financial position and performance of controlled entities from the date on which control is obtained until the date that control is lost.

Intragroup assets, liabilities, equity, income, expenses and cashflows relating to transactions between entities in the consolidated entity have been eliminated in full for the purpose of these financial statements.

Appropriate adjustments have been made to a controlled entity's financial position, performance, and cash flows where the accounting policies used by that entity were different from those adopted by the consolidated entity. All controlled entities have a 30 June financial year end.

A list of controlled entities is contained in Note 24 to the financial statements.

Subsidiaries

Subsidiaries are all entities over which the parent has control. Control is established when the parent is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

2.3 Summary of significant accounting policies

a. Current versus non-current classifications

The Group presents assets and liabilities in the statement of financial position based on a current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realised within twelve months after the reporting period.

or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period.

or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

b. Revenue from contracts with customers

Revenue from contracts with customers is recognised when goods and services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods and services. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods and services before transferring them to the customer.

Maintenance and construction electrical services

The Group provides maintenance and construction electrical services. The Group assesses each contract to identify the performance obligations and transaction price within the contract. The total transaction price is allocated to performance obligations based on relative standalone selling prices.

For those contracts where the customer simultaneously receives and consumes the goods and service provided by the Group; the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or work is performed on assets that have no alternative use to the Group and the Group has a right to payment for performance to date, revenue is recognised over time. Where the criteria to recognise revenue over time is not satisfied the group recognises revenue at a point in time.

If the consideration in the contract includes a variable amount, typically for cost plus contracts or contracts with a schedule of rates, the Group estimates the amount of the consideration to which it is entitled in exchange for transferring the goods and services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant reversal of the cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Certain contracts are subject to claims which are enforceable under the contract. If the claim does not result in any additional goods or services, the transaction price is updated, and the claim accounted for as variable consideration.

Where appropriate, the Group applies the variable consideration allocation exception to allocate variable consideration to distinct services in a contract where the contract includes a series of distinct services that form a single performance obligation.

For other contracts where the Group has a right to consideration in an amount that corresponds directly with the value to the customer of the Group's performance completed to date, the Group utilised the practical expedient to recognise revenue in the amounts to which the Group has a right to invoice.

In all other cases, in recognising revenue over time, the group applies an input method to measure the Group's progress towards satisfying the performance obligation by comparing costs incurred to date, mainly labour and consumables, to the total expected costs.

Project fulfilment costs

Contract fulfilment costs are expensed as incurred except where they generate or enhance resources of the Group that will be used to satisfy future performance obligations in which case, they are capitalised and amortised over the course of the contract.

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group transfers goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration. If the Group's right to an amount of consideration is unconditional (other than the passage of time), the contract asset is classified as a receivable.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 3.

c. Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying asset by equal annual instalments.

During the year, the Group was entitled to receive the Job Keeper payments, which had been recognised as compensation to the employee expenses.

d. Income tax

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the full liability balance sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates, and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it reflects new information obtained about facts and circumstances that exist at the acquisition date that, if known, would have affected the amount recognised at that date were recognised during the measurement period or recognised in profit or loss.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Tax consolidated group

Tempo and its wholly owned Australian resident subsidiaries formed a tax consolidated group with effect from 1 July 2005.

In addition to its own current and deferred tax amounts, Tempo also recognises the current tax liabilities (or assets) and deferred tax liabilities (or assets) arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

e. Property, plant and equipment

Property, plant and equipment is carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a re-valued asset. A formal assessment of the recoverable amount is made when impairment indicators are present.

The carrying amount of plant and equipment is reviewed annually by the directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the consolidated entity and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as an expense in the statement of comprehensive income during the financial period in which they are incurred.

Depreciation is provided on a straight-line basis and diminishing-value basis over the asset's useful life to the consolidated entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of the unexpired period of the lease and the estimated useful lives of the improvements.

The useful lives used are listed as below:

Asset Class	Useful live
Furniture and fixtures	5 – 10 years
Computer equipment	4 years
Plant & Equipment	4 years
Motor Vehicles	6 years
Right of Use	1 – 3 years

f. 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.

g. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Refer to Note 13 for further details.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the depreciation and amortisation expense category.

Intangible assets with indefinite useful lives are not amortised but are tested for impairment annually at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or where no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss.

Intangible assets have been recognised relating to the acquisition of customer contracts through business combinations. These assets have been measured at their fair value at the date of acquisition and are amortised using the straight-line method over periods of between 2.5 and 3 years.

h. Goodwill

Goodwill is carried at cost less accumulated impairment losses. Goodwill is calculated as the excess of the sum of:

- The consideration transferred and any non-controlling interest; and
- The acquisition date fair value of any previously held equity interest over the acquisition date fair value of net identifiable assets acquired in a business combination.

i. Financial instruments

Financial instruments are recognised initially on the date that the Group becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs.

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, financial assets are measured at amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Group's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the consolidated statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Impairment of financial assets and contract assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost; and
- contract assets.

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment and including forward looking information.

The Group uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Group uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Group in full, without recourse to actions such as realising security (if any is held); or
- the financial assets are more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Group in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables and contract assets

Impairment of trade receivables and contract assets have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Group has determined the probability of non-payment of the receivable and contract asset and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in other expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Group renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

The Group measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Group comprise trade payables, bank and other loans and lease liabilities.

j. Inventories

Inventories are valued at the lower of cost and net realisable value and are comprised entirely of consumables.

Cost is determined on a FIFO basis of the direct costs of materials. Inventories determined to be obsolete or damaged are written down to net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

k. Impairments of non-financial assets

Further disclosures relating to impairment of non-financial assets are also provided in the following notes:

- Intangible assets - Note 13
- Goodwill - Note 14

The Group assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value-in-use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value-in-use, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The impairment calculation is performed by the Group using a value-in-use model with discounted cash flows. The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a five-year period. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in the statement of profit or loss in impairment expense.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss.

Goodwill is tested for impairment annually in December and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually as at 31 December at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

l. Cash and short-term deposits

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above. Outstanding bank overdrafts are considered as current liabilities.

m. Treasury shares

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue, or cancellation of the Group's own equity instruments.

n. Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

o. Superannuation, annual leave and long service leave

Superannuation

The Group makes contributions as defined contributions. There is no defined benefit superannuation scheme operated by the Group.

Long service leave and annual leave

The Group does not expect its long service leave or annual leave benefits to be settled wholly within 12 months of each reporting date. The Group recognises a liability for long service leave and annual leave measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

p. Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of Tempo by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share adjusts the basic earnings per share to take into account the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

q. Share based payments

Some employees of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled Transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model, further details of which are given in Note 28.

That cost is recognised in employee benefits expense (Note 6), together with a corresponding increase in equity (share-based payment reserves), over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total far value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share (further details are given in Note 21).

r. Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options which vest immediately are recognised as a deduction from equity, net of any tax effects.

s. Segment reporting

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

3 Critical Accounting Estimates and Judgments

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

Determining the timing of electrical and telecommunications repairs and maintenance services

The Group concluded that revenue for electrical and telecommunications repairs and maintenance services is to be recognised over time because the customer simultaneously receives and consumes the benefits provided by the Group. The fact that another entity would not need to re-perform work that the Group has provided to date demonstrates that the customer simultaneously receives and consumes the benefits of the Group's performance as it performs.

Determining the timing of construction and electrical project work

The Group concluded that revenue for electrical project work and construction work is to be recognised over time. Factors that were considered include the act that the Group's performance does not create an asset with an alternative use, the Group is entitled to payment for performance to date and the customer controls the asset as the entity creates or enhances it.

The Group determined that the input method based on costs incurred to date compared to total expected costs is a direct relationship between the Group's effort (i.e., costs incurred) and the transfer of services to the customer.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Revenue from contracts with customers – Variable consideration

Certain contracts contain provisions for liquidated damages which would be considered variable consideration. The group has applied judgement in not constraining revenue for this variable consideration on the basis that there is no history of significant reversals of revenue in relation to liquidated damages.

Provision for expected credit losses of trade receivables and contract assets

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type).

The provision matrix is initially based on the Group's historical observed default rates and adjusted for forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables and contract assets is disclosed in Note 9.

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

The Group has $17,069K (2019: $15,070K) of tax losses carried forward. These losses relate to subsidiaries that have a history of losses, do not expire, and may be used to offset taxable income elsewhere in the Group. The Group had determined that while its deferred tax assets were recoverable based on the expectation of future taxable income but had been reversed in the assets at 30 June 2019 as a matter of prudence. Further details on taxes are disclosed in Note 7.

Impairment review

Financial assets (including receivables)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

The Group considers evidence of impairment for receivables at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics.

In assessing collective impairment, the Group uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised as profit or loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the Group's non-financial assets (other than inventories, construction work in progress and deferred tax assets) are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Groups of assets ("the cash generating unit" or "CGU"). The Group's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro-rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Goodwill that forms part of the carrying amount of an investment in an associate is not recognised separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associate is tested for impairment as a single asset when there is objective evidence that the investment in an associate may be impaired.

4 Revenue and other income

	Consolidated entity	
	2020	**2019**
	$'000	**$'000**
Revenues from contracts with customers	30,124	52,944
Interest revenue calculated using the effective interest method	49	45
Other income	255	228
Total revenue and other income	**30,428**	**53,217**

	Consolidated entity	
Revenue from contracts with customers by type of customer	**2020**	**2019**
	$'000	**$'000**
Government and infrastructure	4,074	4,304
Commercial	25,555	47,022
Education and aged care	495	1,461
Resources	-	101
Other	-	56
Total revenues from contracts with customers	**30,124**	**52,944**

The transaction price allocated to the remaining performance obligations as described in Note 2.4(b) (unsatisfied or partially unsatisfied as of 31 December) is as follows:

	Consolidated entity	
	2020	2019
	$'000	$'000
Within one year	291	15,338
Total revenue and other income	**291**	**15,338**

5 Other expenses

	Consolidated entity	
	2020	2019
	$'000	$'000
Candidate screening cost	285	145
Movement in allowance for expected credit losses	(212)	249
Total other expenses	**73**	**394**

6 Employee and director expenses

	Consolidated entity	
	2020	2019
	$'000	$'000
Salaries, wages and other expenses	11,969	17,679
Job Keeper	(2,513)	-
Superannuation expenses	913	1,313
Share based payments	54	495
Total employee and director expenses	**10,423**	**19,487**

7 Income tax

The major components of income tax expense for the years ended 31 December 2020 and 2019 are:

	Consolidated entity	
	2020	2019
	$'000	$'000
Current income tax	(25)	1,654
Deferred income tax	25	72
Derecognition of deferred tax asset		(7,045)
Income tax expense reported in the income statement	**-**	**(5,319)**

	Consolidated entity	
	2020	2019
	$'000	$'000
Contributed Equity		
Conversion of prior year balances to 26% tax rate (2019: 30%)	8	2
Blackhole Expense	-	(2)
Capital raising cost amortisation	2	-
Income tax (credit) / expense reported in the equity statement	**10**	**-**

A reconciliation between tax expense and the product of accounting profit before income tax multiplied by the Group's application income tax rate is as follows:

	Consolidated entity	
	2020 $'000	2019 $'000
Accounting loss before income tax	229	(14,645)
Tax at Australia's statutory income tax rate of 26% (2019: 30%)	(59)	4,394
Tax effect of amounts which are not deductible in calculating taxable income	32	(3,158)
Conversion of prior year balances to 26% tax rate (2019: 30%)	(655)	490
Others	2	-
Adjustments the conversion of prior year balances to 26% tax rate (2019: 30%)	655	-
Income tax benefit at the effective tax rate of 11.8% (2019: 6%)	**(25)**	**1,726**
Provision for Current year income tax expense / (benefit)	25	(1,726)
Derecognition of prior year DTA	-	(5,319)
Income tax credit reported in the income statement	**-**	**(5,319)**

Deferred income tax at 31 December relates to the following:

	Consolidated entity	
	2020 $'000	2019 $'000
Deferred tax assets		
Carried forward tax losses	4,440	4,521
Research and development tax credits	2,341	2,341
Accrued expenses	77	124
Employee benefits	263	346
Trade and other receivables	28	96
Plant and equipment	-	-
Equity raising cost debited to equity	2	61
Offset of deferred tax liabilities	(568)	(238)
Deferred tax asset not recognised	(6,597)	(7,252)
Adjustments in respect of previous years	14	-
Net deferred tax assets	**-**	**0**
Deferred tax liabilities		
Inventory	-	15
Prepayment and receivables	15	9
Plant and equipment	46	72
Intangibles	-	-
Works in progress	507	143
Offset against deferred tax asset	(568)	(238)
Net deferred tax liabilities	**-**	**-**

In 2019 the Group had written off a deferred tax asset on carried forward losses and unused tax credits.

The movement of the current and deferred tax relates to the following:

	Consolidated entity			
	Current Income Tax 2020 $'000	**Deferred Income Tax 2020 $'000**	**Current Income Tax 2019 $'000**	**Deferred Income Tax 2019 $'000**
Opening balance	-	-	-	5,318
Income tax credit recognised in profit and loss	-	-	-	(5,318)
R&D income recognised as government grant	-	-	-	-
Charged to equity	-	10	-	-
Charged to reserves	-	-	-	-
Offset the prior year DTA provision	-	(10)	-	-
Closing balance	**-**	**-**	**-**	**-**
Amounts recognised on the consolidated statement of financial position				
Deferred tax asset	-	-	-	-
Closing balance	**-**	**-**	**-**	**-**

8 Cash and short-term deposits

	Consolidated entity	
	2020 $'000	**2019 $'000**
Cash at bank and on hand	3,698	7,340
Short term deposits	2,939	-
Cash and cash equivalents	**6,637**	**7,340**

9 Trade and other receivables

	Consolidated entity	
	2020 $'000	**2019 $'000**
CURRENT		
Trade receivables	2,275	10,233
Allowance for expected credit losses	(109)	(321)
Other receivables	588	527
Total current trade and other receivables	**2,754**	**10,439**

Trade receivables are non-interest bearing and are generally on terms of 14 to 60 days.

Included within Other receivables are term deposits and rental bonds of $438K (2019: $443K).

Set out below is the movement in the allowance for expected credit losses of trade receivables:

	Consolidated entity	
	2020 $'000	**2019 $'000**
As at 1 January	321	63
Provision for expected credit losses (Note 17)	(212)	258
As at 31 December	**109**	**321**

The information about the credit exposures is disclosed in Note 17.

10 Contract assets

	Consolidated entity	
	2020	2019
	$'000	$'000
Contract assets	2,163	1,016
Total contract assets	**2,163**	**1,016**

Set out below is the movement in the allowance for expected credit losses of contract assets:

	2020 $'000	2019 $'000
As at 1 January	-	51
Provision for expected credit losses (Note 17)	-	-
Written off during the period	-	-
Reversed during the period	-	(51)
Provision used during the period	-	-
As at 31 December	**-**	**-**

Contract assets are initially recognised for revenue earned from maintenance and constructions services as receipt of consideration is conditional on successful completion of performance obligations. Upon completion of these services and acceptance by the customer, the amounts recognised as contract assets are reclassified to trade receivables.

In 2020, $Nil (2019 Provision for doubtful debts: $Nil) was recognised as provision for expected credit losses on contract assets.

No revenue was recognised during the year (2019: $Nil) for performance obligations satisfied in previous years.

11 Inventories

	2020 $'000	2019 $'000
Consumables	166	505
Total inventories	**166**	**505**

12 Plant and Equipment

	Consolidated entity 2020 $'000	2019 $'000
Furniture and fixtures - gross carrying value at cost	325	364
Furniture and fixtures - accumulated depreciation	(138)	(135)
Net book value furniture and fixture	**187**	**229**
Plant and equipment - gross carrying value at cost	1,421	1,365
Plant and equipment - accumulated depreciation	(504)	(348)
Net book value plant and equipment	**917**	**1,017**
Computer equipment – gross carrying value at cost	574	108
Computer equipment – accumulated depreciation	(427)	-
Net book value computer equipment	**147**	**108**
Motor vehicles – gross carrying value at cost	2,563	2,667
Motor vehicles – accumulated depreciation	(1,366)	(889)
Net book value motor vehicle	**1,197**	**1,778**
Property - gross carrying value Cost	414	755
Property - accumulated depreciation	(403)	(549)
Net book value right of use assets - property	**11**	**206**
Total gross carrying value at cost	5,297	5,259
Total accumulated depreciation	(2,838)	(1,921)
Total net book value	**2,459**	**3,338**

Reconciliation of the carrying amounts at the beginning and end of the current financial year:

	Furniture and fixtures $'000	Plant and equipment $'000	Computer equipment $'000	Motor vehicles $'000	Building $'000	Total $'000
Balance at 1 January 2019	345	1,119	416	432	-	2,312
Additions	111	113	29	1,700	579	2,532
Adjust on transition to IFRS 16	-	-	-	759	176	935
Disposals	(254)	(37)	(70)	(12)	-	(373)
Impairment	-	-	-	(626)	(169)	(795)
Depreciation expense	(68)	(181)	(183)	(461)	(380)	(1,273)
Balance at 31 December 2019	**134**	**1,014**	**192**	**1,792**	**206**	**3,338**
Additions	71	83	69	490	-	713
Disposals	(5)	(11)	(5)	(364)	-	(385)
Impairment	-	-	(47)	-	-	(47)
Depreciation expense	(13)	(169)	(62)	(721)	(195)	(1,160)
Balance at 31 December 2020	**187**	**917**	**147**	**1,197**	**11**	**2,459**

The carrying value of plant and machinery held under finance leases contracts at 31 December 2020 was $616K (2019: $912K). Additions during the year include Nil (2019: $142K) of plant and equipment and motor vehicles under finance leases.

Certain leased assets under contracts are pledged as security for the related finance lease liability:

	Furniture and fixtures $'000	Plant and equipment $'000	Computer equipment $'000	Motor vehicles $'000	Building $'000	Total $'000
Balance at 31 December 2019	**-**	**-**	**-**	**1,583**	**424**	**2,007**
Balance at 31 December 2020	**-**	**-**	**-**	**1,123**	**11**	**1,134**

13 Intangible assets

	Goodwill $'000	Customer Relationships $'000	Productivity Tool $'000	Total $'000
Balance at 1 January 2019	9,230	466	-	9,696
Amortisation	-	(126)	-	(126)
Impairment	(9,230)	(340)	-	(9,570)
Balance at 31 December 2019	**-**	**-**	**-**	**-**
Amortisation	-	-	-	-
Impairment	-	-	-	-
Balance at 31 December 2020	**-**	**-**	**-**	**-**

14 Goodwill impairment

During 2019, the Group assessed its goodwill and intangible assets for impairment. The Group considered the relationship between its market capitalisation and its book value, among other factors when reviewing for indicators of impairment. Management found that the market capitalisation of the Group was below the book value of its equity, indicating a potential impairment of goodwill and impairment of the assets.

As part of assessing for impairment, it was determined that the cash generating units (CGUs) of the Group would be aggregated for the purposes of testing the goodwill of $9,230K due to the interrelated nature of operating segments.

The recoverable amount of the aggregated CGU was determined based on a value-in-use calculation using cash flow projections from financial forecasts. This forecast was extrapolated to a five-year forecast based on the assumptions detailed below.

The post-tax discount rate applied to cash flow projections was 11.50% and cash flows beyond the forecast period were extrapolated using a 2.4% growth rate that is the same as the long-term average growth rate for the electrical services industry.

Trading during the six months to 30 June 2019 had been more difficult than had been anticipated. This led to management reassessing the forecasts used as inputs to the value in use calculations which directly impacted the results of the assessment.

As a result of the analysis, it was concluded that the carrying value of the CGU exceeded its recoverable amount, and the goodwill associated with the CGU was subsequently recognised as a pre-tax impairment. In conjunction with the impairment of the goodwill management also impaired the customer contracts that had been recognised in conjunction with the goodwill when the assets were originally acquired.

15 Segment reporting

Segment reporting
The Group has identified its operating segment based on internal management reporting that is reviewed by the Board of Directors (chief operating decision makers)) in assessing performance and determining the allocation of resources. All segments operate only in one geographical area, being Australia.

(a) Segment performance

31-Dec-20	**Asset maintenance and service $'000**	**Construction & electrical project work $'000**	**Corporate / unallocated $'000**	**Total $'000**
Revenue				
Sales	15,960	14,164	-	30,124
Other revenue	152	6	146	304
Total segment revenue	**16,112**	**14,170**	**146**	**30,428**
Operating expenses	(15,353)	(13,365)	(110)	(28,828)
Earnings before interest, tax, depreciation & amortisation (EBITDA)	**759**	**805**	**36**	**1,600**
Depreciation and amortisation	(945)	(193)	(22)	(1,160)
Earnings before interest and tax (EBIT)	**(186)**	**612**	**14**	**440**
Interest expense	(113)	(37)	(14)	(164)
Income tax (credit)/expenses	-	-	-	-
Impairment of assets	(33)	(14)	-	(47)
Net profit/(loss) for the year	**(332)**	**561**	**-**	**229**

31-Dec-19	**Asset maintenance and service $'000**	**Construction & electrical project work $'000**	**Corporate / unallocated $'000**	**Total $'000**
Revenue				
Sales	22,937	30,007	-	52,944
Other revenue	131	108	34	273
Total segment revenue	**23,067**	**30,115**	**34**	**53,217**
Operating expenses	(24,888)	(30,671)	(409)	(55,968)
Earnings before interest, tax, depreciation & amortisation (EBITDA)	**(1,821)**	**(556)**	**(375)**	**(2,751)**
Depreciation and amortisation	(439)	(264)	(695)	(1,399)
Earnings before interest and tax (EBIT)	**(2,260)**	**(820)**	**(1,070)**	**(4,150)**
Interest expense	(47)	(45)	(38)	(131)
Income tax (credit)/expenses	-	-	(5,319)	(5,319)
Impairment of assets	(295)	(8)	(10,061)	(10,365)
Net profit/(loss) for the year	**(2,602)**	**(874)**	**(16,488)**	**(19,964)**

(b) Segment asset and liabilities

31-Dec-20	Asset maintenance and service	Construction & electrical project work	Corporate / unallocated	Total
	$'000	$'000	$'000	$'000
Total Assets	5,010	2,467	7,930	15,407
Total Liabilities	4,065	1,006	767	5,838

31-Dec-19	Asset maintenance and service	Construction & electrical project work	Corporate / unallocated	Total
	$'000	$'000	$'000	$'000
Total Assets	7,146	8,854	7,099	23,099
Total Liabilities	4,981	8,633	985	14,599

Major customers

The consolidated entity has a number of customers to which it provides services. The consolidated entity supplies a single external customer which accounts for 27% of external revenue (2019: 29%). The next most significant customer accounts for 25% (2019: 25%).

16 Trade and other payables

	Consolidated entity	
	2020	2019
	$'000	$'000
Trade payables	1,394	5,013
Other payables	1,139	5,430
Total trade and other payables	**2,533**	**10,443**

17 Financial liabilities

17.1 Financial liabilities: Interest-bearing loans and borrowing

	Interest Rate	Maturity	Consolidated entity 2020 $'000	2019 $'000
Current interest-bearing loans and borrowings				
Obligations under leases (Note 22)	4.73%	2021	944	1,038
Insurance Borrowing	3.09%	2021	90	247
NAB Invoice Finance Facility ($10,000,000 Facility)	5.02%	On Demand	-	-
Total current interest-bearing loans and borrowings			**1,034**	**1,285**
Non Current interest-bearing loans and borrowings				
Obligations under leases (Note 22)	4.83%	2022-2023	1,250	1,948
Total non- current interest-bearing loans and borrowings			**1,250**	**1,948**
Total interest-bearing loans and borrowings			**2,284**	**3,233**

Tempo has a $10M Invoice Finance Facility with the National Australia Bank Limited ('NAB'). This facility attracts a variable interest rate. At 31 December the effective rate was 5.02%. At 31 December 2020 $10M was unused (2019: $10M). It is secured by a first ranking general security interest, a security interest registered pursuant to the Invoice Finance Facility Agreement and a Guarantee and Indemnity given by Tempo.

The Group has an asset finance leasing facility with NAB of $3,450K. On 31 December 2020, the amount of the facility that was unused was $2,827K. On 31 December 2019, the Group has an asset finance leasing facility with NAB of $3,450K and the amount of the facility that was unused was $2,538K.

Other leases in relation to plant, vehicles and other equipment amount to $1,577K. At 31 December 2019 the amount relating to other leases was $2,074K.

All finance liabilities are repayable on demand with the exception of leases. Refer to Note 22 for the relevant maturity profile of these leases.

17.2 Financial liabilities: Bank guarantees and surety bonds

The Group has surety bond facilities of $7,000K (2019: $7,000K). At 31 December 2020 bonds valued at $1,583K had been issued (2019: $2,002K). The bond premium rate is 1.5% per annum on the face value of each bond.

As at 31 December 2020 Tempo had bank guarantees issued of $286K (2019: $286K) which were secured by term deposits. Corresponding term deposits of $286K (2019: $286K) are recorded in other receivables (refer Note 9).

17.3 Fair values

The carrying value of all current financial assets and liabilities approximates the fair value largely due to the short-term maturity of these instruments. Lease liabilities are recognised at a discount value implicit in the leases (refer Note 22).

Set out below is a comparison of the carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

	2020		2019	
	Carrying amount $'000	**Fair value $'000**	**Carrying amount $'000**	**Fair value $'000**
Non-current interest-bearing loans and borrowings	1,250	1,290	1,948	2,053
Obligations under finance leases (Note 22)	**1,250**	**1,290**	**1,948**	**2,053**

The fair value of obligations under leases is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. The valuation requires management to use unobservable inputs in the model, of which the significant unobservable inputs are disclosed in the tables below. Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.

Changes in liabilities arising from financing activities

	Consolidated entity					
	1-Jan-20	Cash flows	New Leases	Lease recognise as AASB 16	Others	31-Dec-20
	$'000	$'000	$'000	$'000	$'000	$'000
Current interest-bearing loans and borrowings (excluding items listed below)	247	(417)	-	-	261	91
Current obligations under leases	1,038	(1,180)	128	-	957	943
Non-current obligations under leases	1,948	(49)	309	-	(958)	1,250
Total liabilities from financing activities	**3,233**	**(1,646)**	**437**	**-**	**260**	**2,284**

	Consolidated entity					
	1-Jan-19	Cash flows	New Leases	Lease recognise as AASB 16	Others	31-Dec-19
	$'000	$'000	$'000	$'000	$'000	$'000
Current interest-bearing loans and borrowings (excluding items listed below)	1,149	(902)	-	-	-	247
Current obligations under leases	177	(956)	362	392	1,063	1,038
Non-current obligations under leases	843	-	1,625	543	(1,063)	1,948
Total liabilities from financing activities	**2,169**	**(1,858)**	**1,987**	**935**	**-**	**3,233**

The ‘Other’ column includes is the reclassification of non-current portion of interest-bearing loans and borrowings (finance leases) to current due to the passage of time.

17.4 Financial instruments risk management objectives and policies

The Group’s principal liabilities comprise loans and borrowings and trade and other payables. The main purpose of these financial liabilities is to finance the Group’s operations. The Group’s principal financial assets include trade receivables and cash and short-term deposits that derive directly from its operations. The Group has determined that there is no material market, credit, liquidity, or interest risk in relation to the cash or other receivables held in deposits.

The Group is exposed to market risk, credit risk and liquidity risk. Interest rate risks are not considered as significant. The Group’s senior management oversees the management of these risks under the policies approved by the Risk, HSE and Commercial Committee and the Board.

Market risk
Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market price. Market risk comprises three types of risk, interest rate risk, foreign currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits and debt.

The sensitivity analysis in the following sections relate to the position as of 31 December in 2020 and 2019.

Interest Rate Risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group’s long-term debt is secured with fixed interest rates. All long-term deposits have variable interest rates. As a result, the Board believes there is no material interest rate risk.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's has minimal to this risk profile.

Other price risk

The Group does not have any equity instruments or commodity risk exposure.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with reputable banks and financial institutions.

Credit quality of a customer is assessed prior to engagement. Outstanding customer receivables are regularly monitored. At 31 December 2020 the Group had 2 customers (2019: 5) that owed the Group more than $200K each and accounted for approximately 64% (2019: 84%) of all receivables. There were 1 customer (2019: 5) with balances over $500K accounting for 48% of all receivables (2019: 84%) of the total receivables balance.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses ("ECL"). The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions, and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than one year and are not subject to enforcement activity. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 9. The Group does not hold collateral as security. The Group evaluates the concentration risk with respect to trade receivables as low, as its customers are located within several industries and operate in largely independent markets.

The customers are grouped into four different categories:

	Consolidated entity		
	2020 $'000	**Risk Assessment**	**2019 $'000**
Listed public companies	1,631	Very Low	1,874
Government departments/agencies	313	Very Low	357
Not for profit organisations	-	Very Low	98
Commercial businesses	331	Very Low	811
Total trade receivables	**2,275**		**3,140**

Historically the Group's ECL has been extremely low. Impairment charges over the 5 years 2015 to 2020 inclusive averages to 1.71% of the total trade receivables per year.

Set out below is the information about the credit risk exposure on the Groups trade receivables and contract assets using a provision matrix:

31 December 2020	Contract assets $'000	Consolidated entity 0-30 Days $'000	31-60 Days $'000	61-90 Days $'000	>91 Days $'000	Total $'000
Expected credit loss rate	0.00%	0.00%	0.00%	0.00%	60.89%	2.46%
Total gross carrying amount	2,163	1,191	732	173	179	4,438
Expected credit loss	-	-	-	-	109	109
Total ECL Provision	**-**	**-**	**-**	**-**	**109**	**109**

31 December 2019	Contract assets $'000	Consolidated entity 0-30 Days $'000	31-60 Days $'000	61-90 Days $'000	>91 Days $'000	Total $'000
Expected credit loss rate	0.00%	0.08%	0.49%	9.50%	17.81%	2.85%
Total gross carrying amount	1,016	6,207	1,639	1,410	977	11,250
Expected credit loss	-	5	8	134	174	321
Total ECL Provision	**-**	**5**	**8**	**134**	**174**	**321**

Liquidity Risk

The Group monitors its risk of a shortage of funds using by utilising liquidity planning tools across a 15-month horizon.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of short-term borrowings and finance leases. The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a variety of sources of funding and the majority of the debt maturing within 12 months can be rolled over with existing lenders.

18 Provisions

	Consolidated entity 2020 $'000	2019 $'000
Current provisions		
Employee benefits	942	805
Total current provisions	**942**	**805**
Non-current provisions		
Employee benefits	79	118
Total Non-current provisions	**79**	**118**
Total provisions	**1,021**	**923**

Employee benefits

Provision for employee benefits represents amounts accrued for annual leave, rostered days off, staff retentions and long service leave.

	Consolidated entity 2020 $'000	2019 $'000
Carrying amount at the beginning of period	923	737
Additional provision made	516	786
Amounts used	(418)	(600)
Total employee benefits provisions	**1,021**	**923**

19 Contributed equity

	Note	Consolidated entity 2020 $'000	Consolidated entity 2019 $'000
Ordinary shares fully paid	19 (a)	84,842	84,056
		84,842	**84,056**

19 (a) Ordinary Shares

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

	Consolidated entity 2020		Consolidated entity 2019	
Movements in ordinary shares	**# of shares**	**$'000**	**# of shares**	**$'000**
Balance as at the beginning of the year	342,535,506	84,056	240,804,581	79,491
Shares issued – proceeds received	20,100,000	804	101,730,925	3,915
Costs of share issue	-	(18)	-	(200)
Release of other contributed equity	-	-	-	850
Balance as at the end of the year	**362,635,506**	**84,842**	**342,535,506**	**84,056**

19 (b) Share based payments reserve

The share-based payments reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration. Refer to Note 28 for further details of the plan.

	2020 $'000	2019 $'000
Balance as at the beginning of the year	2,042	1,580
Share-based payments	54	487
Reversal of unvested options	(462)	(25)
Balance as at the end of the year	**1,634**	**2,042**

19 (c) Capital risk management

For the purpose of the Group's capital management, capital includes issued capital, and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to maximise the shareholder value. The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the consolidated entity may adjust the dividends paid to shareholders or issue new shares. The consolidated entity's capital risk management policy remains unchanged from the Annual Report for the year ended 31 December 2019.

20 Cash flow reconciliation

	Consolidated entity	
	2020	2019
	$'000	$'000
Reconciliations of the net loss after tax to the net cash flows from operating activities		
Net Profit/(Loss)	229	(19,964)
Non-operating cash items		
Depreciation	1,160	1,273
Amortisation	-	125
Impairment of intangible and tangible assets	-	10,365
Provisions for expected credit losses	120	207
(Profit)/loss on sale of assets	49	(5)
ESOP,option and performance rights expenses	(12)	462
Gain on settlement of contingent consideration fro KP Electric acqusition	-	-
Changes in assets and liabilities		
Trade and other receivables and contract assets	4,496	(3,320)
Inventories	339	(103)
Other assets	37	(67)
Trade and other payables	(5,863)	6,577
Provisions	94	190
Deferred tax assets	-	5,318
Net Operating cash inflows/(outflows)	**649**	**1,058**

21 Profit / (Loss) per share

Basic profit/(loss) per share is calculated by dividing the profit/loss for the year attributable to ordinary equity holders of the parent by the weighted average number of the ordinary shares outstanding during the year.

There were no options outstanding at the end of 2020 (2019: Nil).

The following table reflects the loss and share data used in the basic EPS calculations:

	Consolidated entity	
	2020	2019
	$'000	$'000
The following reflects the profit/(loss) and share data used in the calculations of basic and diluted profit/(loss) per share		
Net profit/(loss) after tax	229	(19,964)
Profit/(loss) used in calculating basic and diluted profit/(loss) per share	**229**	**(19,964)**
Weighted average number of ordinary shares used in calculating basic loss per share	353,824,547	248,940,380
Effect of dilutive securities		
Share options	-	-
Adjusted weighted average number of ordinary shares used in calculating diluted earnings per share	353,824,547	248,940,380

There have been no transactions involving ordinary shares between the reporting date and date of completion of these financial statements.

22 Lease expenditure commitments

	Consolidated entity 2020 $'000	Consolidated entity 2019 $'000
Depreciation charge for right-of-use assets:		
- Motor vehicles	651	408
- Property	195	331
Additions to right-of-use assets:		
- Motor vehicles	437	1,992
- Property	-	-
Carrying value of right-of-use assets:		
- Motor vehicles	1,123	1,583
- Property	11	424
Interest expense on lease liabilities	94	147
Short-term lease expense through profit or loss	-	-
Low value asset lease expense through profit or loss	-	-
Total cash outflow for leases	1,359	1,064

Lease commitments

The Group has leases for various items of plant and machinery. The Group's obligations under leases are secured by the lessor's title to the leased assets. Future minimum lease payments under leases and hire purchase contracts, together with the present value of the net minimum lease payments are, as follows:

	Consolidated entity 2020		Consolidated entity 2019	
	Minimum Payments $'000	Present value of Payment $'000	Minimum Payments $'000	Present value of Payment $'000
Within one year	1,027	944	1,158	1,038
After one year but not more than five years	1,290	1,250	958	884
More than five years	-	-	1,095	1,064
Total minimum lease payments	2,317	2,195	3,211	2,986
Less amounts representing finance charges	(124)	(119)	(225)	-
Present value of minimum lease payments	**2,193**	**2,076**	**2,986**	**2,986**

Note 2.2 provides detail of the Group's adoption of AASB 16: Leases. The Group applied the modified retrospective approach and as such, comparative disclosure continues to distinguish between operating and finance leases.

23 Capital Commitments

The entity had no capital commitments as at 31 December 2020 (2019: Nil)

24 Group information

Information about subsidiaries

The consolidated financial statements of the Group include:

	Country of Incorporation	Consolidated entity 2020	2019
Tempo Resources Solutions Pty Ltd	Australia	100%	100%
Tempo Engineering Pty Ltd	Australia	100%	100%
Cablelogic Pty Ltd	Australia	100%	100%
Tempo Construction & Maintenance Pty Ltd	Australia	100%	100%
Tempo Personnel Management Pty Ltd	Australia	100%	100%
Tempo Global Pty Ltd	Australia	100%	100%
KP Electric (Australia) Pty Ltd	Australia	100%	100%

The immediate and ultimate holding company of the Group is Tempo Australia Ltd which is based and listed in Australia.

25 Related party disclosures

Note 24 provides information about the Group’s structure, including details of the subsidiaries and the holding company. The following table provides the total amount of transactions that have been entered into with related parties for the relevant year.

	Consolidated entity Purchases from related parties 2020 $'000	Purchases from related parties 2019 $'000
Angophora Capital Pty Ltd	144	60
D&T Superannuation Pty Ltd	-	20
Sadsacks Holding Pty Ltd	-	2
CLR Consulting Pty Ltd	42	-

Each of the above entities is considered to be a related party due to common directorships between them and the Group. The balances relate to director fee and consultancy service fee. Outstanding balances $6K for Angophora Capital Pty Ltd and $10K for CLR Consulting Pty Ltd related to director fees at the year-end, which are unsecured and interest free.

Compensation of key management personnel of the Group

	Consolidated entity 2020 $'000	2019 $'000
Short-term employee benefits	834	864
Post-employment benefits	52	58
Long-term benefits	-	29
Termination benefits	41	26
Share-based payment	(408)	462
Total benefits	**519**	**1,439**

26 Business combinations

There were no business acquisitions in 2020 and 2019.

27 Parent company information

	2020 $'000	2019 $'000
Loss after income tax	-	16,823
Total comprehensive loss	**-**	**16,823**
Total current assets	7,075	7,030
Total assets	7,930	7,100
Total current liabilities	11,503	9,443
Total liabilities	11,521	9,536
Equity		
Contributed equity	83,393	84,602
Share based payment reserve	1,376	1,784
Accumulated losses	(88,360)	(88,822)
Total equity	**(3,591)**	**(2,436)**

Contingencies
The parent entity had no contingent liabilities as at 31 December 2020 (2019: Nil).

Capital Commitments
The parent entity had no contingent liabilities as at 31 December 2020 (2019: Nil).

28 Share based payments

An Employee Share Incentive Right Plan (ESIRP) was established by Tempo and approved by shareholders at the general meeting held in May 2013 and renewed at the general meeting held on 31 May 2016. Under the ESIRP Tempo may grant options and/or performance rights over ordinary shares in the parent entity to certain employees of Tempo. The options and/or performance rights are issued for nil consideration and are granted in accordance with guidelines established by the ESIRP.

The expense recognised for employee services received during the year was $53K (2019: $495K, $462K had been backed out to retain earning in 2020).

Movements during the year

The following tables illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options and performance rights during the year.

Performance rights granted during the year are valued with reference to the share price at the grant date.

	Consolidated entity 2020		Consolidated entity 2019	
Performance rights	**# of shares**	**WAEP**	**# of shares**	**WAEP**
Outstanding as 1 January	26,000,000	-	500,000	-
Granted during the year	5,900,000	-	26,000,000	-
Exercised during the year	-	-	-	-
Forfeited during the year	-	-	(500,000)	-
Cancelled Prior year Performance rights	(12,000,000)	-	-	-
Outstanding at 31 December	**19,900,000**	**-**	**26,000,000**	**-**

29 Auditors remuneration

The auditor of Tempo is PKF (NS) Audit & Assurance Ltd Partnership from 31 December 19, and before that it was Ernst & Young Australia.

	Consolidated entity	
	2020	2019
	$	$
Audit or review of the financial reports		
Ernst & Young Australia	-	91,800[1]
PKF (NS) Audit & Assurance Ltd Partnership[2]	76,500	50,000
Total	**76,500**	**141,800**

1. *Among $91.8K in 2019, $40K was paid to Ernst & Young Australia for FY2018 additional auditing charges.*
2. *PKF (NS) Audit & Assurance Ltd Partnership were paid $61,150 for consulting service provided during the year 2020* (2019: $22,800)

30 Post balance sheet events

There were no post balance date material events.

31. Contingencies

The consolidated entity has no contingent assets or liabilities as at 31 December 2020 (2019: Nil).

DIRECTORS' DECLARATION

FOR THE YEAR ENDED 31 DECEMBER 2020

The Directors declare that the financial statements and notes are in accordance with the Corporations Act 2001 and:

a. Comply with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements.

b. Give a true and fair view of the financial position of the consolidated entity as at 31 December 2020 and of its performance as represented by the results of their operations and its cash flows, for the year ended on that date; and

c. Comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

In the opinion of the Directors, there are reasonable grounds to believe Tempo will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by section 295A of the Corporations Act 2001.

This declaration is made in accordance with a Resolution of the Directors.

WHoward

William Howard

Executive Director, Chief Financial Officer and Company Secretary

Sydney

Date: 31 March 2021

INDEPENDENT AUDITOR'S REPORT

PKF

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TEMPO AUSTRALIA LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report of Tempo Australia Limited (the company), which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the Company and the consolidated entity comprising the company and the entities it controlled at the year end or from time to time during the financial year.

In our opinion, the financial report of Tempo Australia Limited is in accordance with the Corporations Act 2001, including:

i) Giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the year ended on that date; and

ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the consolidated entity 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 our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

PKF(NS) Audit & Assurance Limited Partnership
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PKF

Key Audit Matters (cont'd)

1. Revenue from contracts with customers

Why significant	How our audit addressed the key audit matter
For the year ended 31 December 2020, revenue amounted to $30,124,000 as disclosed in Note 4 of the financial report. The Group's accounting policy in respect of revenue is outlined in Note 2.4(b) and the significant judgement required in determining the timing of revenue recognition is described in Note 3. Accordingly, given the complexity of judgement in the approach to accounting for revenue from contracts with customers, we have determined this to be a key audit matter.	Our work included, but was not limited to, the following procedures: • obtaining an understanding of, and testing selected key controls, including results reviewed by management, for their operating effectiveness and performed procedures to gain sufficient appropriate audit evidence on the accuracy of the accounting for customer contracts; • reviewing significant contracts to understand their terms and conditions and their impact on revenue recognition; • challenging management's estimates and judgements in relation to recognition of revenue from contracts with customers; • testing contracts on a sample basis to confirm the appropriate application of revenue recognition policies, this included reconciling accounting entries to supporting documentation focussing on transactions occurring closely before or after the balance sheet date to obtain sufficient evidence over the accuracy of cut-off; and • assessing the appropriateness of the related disclosures in Notes 2.4(b), 3 and 4.

Other Information

Other information is financial and non-financial information in the annual report of the Group which is provided in addition to the Financial Report and the Auditor's Report. The directors are responsible for Other Information in the annual report.

The Other Information we obtained prior to the date of this Auditor's Report was the Director's report. The remaining Other Information is expected to be made available to us after the date of the Auditor's Report.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, the auditor does not and will not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report.

Other Information (cont'd)

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information in the Financial Report and based on the work we have performed on the Other Information that we obtained prior the date of this Auditor's Report we have nothing to report.

Directors' Responsibilities for the Financial Report

The Directors of the company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the consolidated entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the consolidated entity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue and auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individual or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the consolidated entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and other related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the consolidated entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the consolidated entity to cease to continue as a going concern.

PKF

Auditor's Responsibilities for the Audit of the Financial Report (cont'd)

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the consolidated entity to express an opinion on the group financial report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion

We have audited the Remuneration Report included in the directors' report for the year ended 31 December 2020.

In our opinion, the Remuneration Report of Tempo Australia Limited for the year ended 31 December 2020 complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

PKF

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SCOTT TOBUTT
PARTNER

31 MARCH 2021
SYDNEY, NSW

ADDITIONAL INFORMATION REQUIRED BY ASX

CORPORATE GOVERNANCE STATEMENT

The purpose of Tempo is to deliver to clients in the industrial and commercial sectors specialist multidisciplinary maintenance and construction services, which protect and enhance their investments, without ever compromising on our values. Whilst doing this the Board is committed to providing a satisfactory return to its shareholders and fulfilling its corporate governance obligations and responsibilities in the best interests of Tempo and its shareholders. Good governance enables Tempo to deliver this purpose whilst meeting the Board's intent. The governance structures and processes are defined in Tempo's Corporate Governance Statement which can be found at https://www.tempoaust.com/corporate.

SHAREHOLDER INFORMATION

The information below is current at 23 March 2021, and includes additional information required by the Australian Securities Exchange Limited which is not shown elsewhere in this report.

SECURITIES EXCHANGE LISTING

Quotation has been granted for all the ordinary shares of Tempo on all Member Exchanges of the Australian Securities Exchange Limited

DISTRIBUTION OF SHAREHOLDERS

The number of shareholders, by size of holding, in each class of share is:

Category (Size of holding)	Number of ordinary shareholders	Number of ordinary shares	% of issued capital
100,001 and Over	167	350,484,360	96.65
10,001 to 100,000	270	10,488,711	2.89
5,001 to 10,000	95	727,420	0.20
1,001 to 5,000	248	859,823	0.24
1 to 1,000	237	75,192	0.02
Total	**1,017**	**362,635,506**	**100.00**

VOTING RIGHTS

On show of hands: one vote for each member on poll: one vote for each share held.

SUBSTANTIAL SHAREHOLDERS

The names of substantial shareholders disclosed in substantial holding notices given to Tempo are:

Name	Number of ordinary shares	% of issued capital
ANGOPHORA CAPITAL PTY LTD	83,322,371	22.98
ANTHONY BARTON & ASSOCIATES	50,398,477	13.90
BONTEMPO NOMINEES PTY LTD	42,271,632	11.66

TOP 20 SHAREHOLDERS

Rank	Name	Number of ordinary shares	% of issued capital
1	ANGOPHORA CAPITAL PTY LTD	83,322,371	22.98
2	ANTHONY BARTON & ASSOCIATES	50,398,477	13.90
3	BONTEMPO NOMINEES PTY LTD	42,271,632	11.66
4	DR PAUL JOSEPH DALGLEISH & ASSOCIATES	30,563,364	8.43
5	ZERO NOMINEES PTY LTD	20,000,000	5.52
6	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	11,433,024	3.15
7	OAKTONE NOMINEES PTY LTD	9,060,034	2.50
8	CITICORP NOMINEES PTY LIMITED	5,442,909	1.50
9	MR IVAN TANNER & MRS FELICITY TANNER	4,550,000	1.25
10	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	4,258,788	1.17
11	KAHLIA NOMINEES PTY LTD	4,000,000	1.10
12	GDM SERVICES PTY LTD	4,000,000	1.10
13	MISS SILVANA MASALKOVSKI	3,548,086	0.98
14	SADSACKS PTY LTD	3,324,246	0.92
15	MR PAUL SANTILLO	3,050,000	0.84
16	CHEMBANK PTY LIMITED	2,800,000	0.77
17	IMPULSE TRADING CO PTY LTD	2,350,000	0.65
18	MR ALEXANDER KING	2,332,500	0.64
19	VANAVO PTY LIMITED	2,050,000	0.57
20	MR ANTONIO SCAFFIDI & MRS MARIA SCAFFIDI	2,030,000	0.56
	Total	**290,785,431**	**80.19**
	Balance of register	**71,850,075**	**19.81**
	Grand total	**362,635,506**	**100**

CORPORATE DIRECTORY

DIRECTORS

Guido Belgiorno-Nettis	Non-Executive Chairman
William Howard	Executive Director, Chief Financial Officer and Company Secretary
Charles Rottier	Non-Executive Director
Christopher Cook	Non-Executive Director (Appointed on 19 March 2021)
David Iverach	Non-Executive Director (Resigned on 4 March 2021)

LEADERSHIP TEAM

Paul Dalgleish	Chief Executive Officer
John Cuffe	Executive General Manager TAMS

STOCK EXCHANGE LISTING

Tempo's shares are quoted on the Australian Stock Exchange under the code TPP.

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AUDITOR PKF (NS) Audit & Assurance Ltd Partnership Level 8, 1 O'Connell St Sydney NSW, 2000 +61 02 8346 6000 www.pkf.com.au	**SHARE REGISTRY** Link Market Services QV1, Level 12 250 St Georges Terrace Perth WA 6000 +61 1300 554 474 www.linkmarketservices.com.au	