

## 1. Company details

Name of entity:	Ensogo Limited
ACN:	165 522 887
Reporting period:	For the half-year ended 30 June 2018
Previous period:	For the half-year ended 30 June 2017

## 2. Results for announcement to the market

			\$
Revenues from ordinary activities	down	-	to -
Loss from ordinary activities after tax attributable to the owners of Ensogo Limited	down	51.8%	to (544,003)
Loss for the half-year attributable to the owners of Ensogo Limited	down	51.8%	to (544,003)

### *Dividends*

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

### *Comments*

The loss for the group after providing for income tax amounted to \$544,003 (30 June 2017: \$1,128,576).

## 3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>7.77</u>	<u>9.16</u>

## 4. Dividends

### *Current period*

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

### *Previous period*

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

## 5. Audit qualification or review

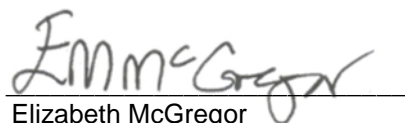
The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

## 6. Attachments

The Interim Report of Ensogo Limited for the half-year ended 30 June 2018 is attached.

**7. Signed**

Signed

A handwritten signature in dark ink, appearing to read 'Emm McGregor', written over a horizontal line.

Elizabeth McGregor  
Company Secretary

Date: 20 August 2018

# **Ensogo Limited**

**ACN 165 522 887**

## **Interim Report - 30 June 2018**

Directors	Mark Licciardo Dinesh Ratnam David Nairn
Company secretaries	Mark Licciardo Elizabeth McGregor
Registered office	C/O Mertons Corporate Services Level 7, 330 Collins Street Melbourne, VIC 3000
Share register	Computershare Investor Services Pty Ltd Yarra Falls, 452 Johnston Street Abbotsford, VIC 3067 Tel: 1300 295 246 or +61 3 9415 4104
Auditor	ShineWing Australia Level 8, 167 Macquarie Street Sydney NSW 2000
Solicitors	Herbert Smith Freehills 101 Collins Street Melbourne VIC 3000
Stock exchange listing	Ensogo Limited shares are listed on the Australian Securities Exchange (ASX code: E88)

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'group') consisting of Ensogo Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 30 June 2018.

### **Directors**

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

Mark Licciardo  
Dinesh Ratnam  
David Nairn

### **Principal activities**

The Group ceased its provision of e-commerce business services in all locations effective 21 June 2016 following the collective decision of the Board of Directors.

### **Review of operations**

The loss for the group after providing for income tax amounted to \$544,003 (30 June 2017: \$1,128,576).

### **Significant changes in the state of affairs**

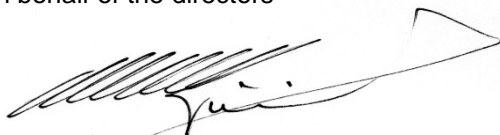
There were no significant changes in the state of affairs of the group during the financial half-year.

### **Auditor's independence declaration**

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

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

On behalf of the directors



Mark Licciardo  
Director

20 August 2018

**Auditor's Independence Declaration under Section 307C of the *Corporations Act 2001*  
to the directors of Ensogo Limited**

I declare that, to the best of my knowledge and belief, during the half-year ended 30 June 2018 there have been:

- (i) No contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review, and
- (ii) No contraventions of any applicable code of professional conduct in relation to the review.

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**ShineWing Australia**  
Chartered Accountants

A handwritten signature in cursive script that reads "R Blayney Morgan".

R Blayney Morgan  
Partner

Sydney, 20 August 2018

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## **General information**

The financial statements cover Ensogo Limited as a group consisting of Ensogo Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Ensogo Limited's functional and presentation currency.

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

C/O Mertons Corporate Services  
Level 7, 330 Collins Street  
Melbourne, VIC 3000

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 31 August 2018.

**Ensogo Limited**  
**Statement of profit or loss and other comprehensive income**  
**For the half-year ended 30 June 2018**



		<b>Consolidated</b>	
	<b>Note</b>	<b>30/06/2018</b>	<b>30/06/2017</b>
		<b>\$</b>	<b>\$</b>
<b>Revenue</b>			
Other income	3	19,368	1,897
<b>Expenses</b>			
Administration		(563,371)	(1,130,473)
<b>Loss before income tax expense</b>		(544,003)	(1,128,576)
Income tax expense		-	-
<b>Loss after income tax expense for the half-year attributable to the owners of Ensogo Limited</b>		(544,003)	(1,128,576)
Other comprehensive income for the half-year, net of tax		-	-
<b>Total comprehensive loss for the half-year attributable to the owners of Ensogo Limited</b>		<u>(544,003)</u>	<u>(1,128,576)</u>
		<b>Cents</b>	<b>Cents</b>
Basic loss per share	10	(1.39)	(2.88)
Diluted loss per share	10	(1.39)	(2.88)

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



		Consolidated	
	Note	30/06/2018 \$	31/12/2017 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	3,706,756	4,032,023
Trade and other receivables		43,882	32,899
Total current assets		<u>3,750,638</u>	<u>4,064,922</u>
<b>Total assets</b>		<u>3,750,638</u>	<u>4,064,922</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	5	<u>711,696</u>	<u>481,977</u>
Total current liabilities		<u>711,696</u>	<u>481,977</u>
<b>Total liabilities</b>		<u>711,696</u>	<u>481,977</u>
<b>Net assets</b>		<u>3,038,942</u>	<u>3,582,945</u>
<b>Equity</b>			
Issued capital	6	163,083,293	163,083,293
Accumulated losses		<u>(160,044,351)</u>	<u>(159,500,348)</u>
<b>Total equity</b>		<u>3,038,942</u>	<u>3,582,945</u>

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

**Ensogo Limited**  
**Statement of changes in equity**  
**For the half-year ended 30 June 2018**



<b>Consolidated</b>	<b>Issued capital \$</b>	<b>Accumulated losses \$</b>	<b>Total equity \$</b>
Balance at 1 January 2017	163,083,293	(158,087,885)	4,995,408
Loss after income tax expense for the half-year	-	(1,128,576)	(1,128,576)
Other comprehensive income for the half-year, net of tax	-	-	-
Total comprehensive loss for the half-year	-	(1,128,576)	(1,128,576)
Balance at 30 June 2017	<u>163,083,293</u>	<u>(159,216,461)</u>	<u>3,866,832</u>

<b>Consolidated</b>	<b>Issued capital \$</b>	<b>Accumulated losses \$</b>	<b>Total equity \$</b>
Balance at 1 January 2018	163,083,293	(159,500,348)	3,582,945
Loss after income tax expense for the half-year	-	(544,003)	(544,003)
Other comprehensive income for the half-year, net of tax	-	-	-
Total comprehensive loss for the half-year	-	(544,003)	(544,003)
Balance at 30 June 2018	<u>163,083,293</u>	<u>(160,044,351)</u>	<u>3,038,942</u>

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

**Ensogo Limited**  
**Statement of cash flows**  
**For the half-year ended 30 June 2018**



	<b>Consolidated</b>	
	<b>30/06/2018</b>	<b>30/06/2017</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Payments to suppliers and employees	(344,490)	(705,046)
Interest received	19,223	1,897
Net cash used in operating activities	(325,267)	(703,149)
<b>Cash flows from investing activities</b>		
Net cash from investing activities	-	-
<b>Cash flows from financing activities</b>		
Net cash from financing activities	-	-
Net decrease in cash and cash equivalents	(325,267)	(703,149)
Cash and cash equivalents at the beginning of the financial half-year	4,032,023	5,246,600
Cash and cash equivalents at the end of the financial half-year	<u>3,706,756</u>	<u>4,543,451</u>

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

## **Note 1. Significant accounting policies**

These general purpose financial statements for the interim half-year reporting period ended 30 June 2018 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 31 December 2017 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

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

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

The principal accounting policies adopted in the preparation of the financial statements are consistent with those of the previous financial year except as follows. The group has adopted all of the new, revised or amending 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.

### **Going concern**

For the half-year period ended 30 June 2018 the group incurred a loss after income tax of \$544,003 (2017: \$1,128,576) and had net cash outflows from operations of \$325,267 (2017: \$703,149). Please also refer to Note 8 for the potential contingent liabilities associated with the liquidation of the Asian subsidiaries.

The Directors believe the preparation of the financial statements on a going concern basis remains appropriate as the Group has net current assets of \$3,038,942 and cash and cash equivalents of \$3,706,756. Given the withdrawal of financial support from the Asian operating subsidiaries and the associated loss of control, the Board believes that the remaining assets of the Company are sufficient to cover all ongoing obligations of Ensogo Limited.

However these conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern and to be able to pay its debts as and when they fall due, and therefore the Group may be unable to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

## **Note 2. Operating segments**

Segment revenue and segment results information provided to the Board of Directors for the Ensogo segment, the one reportable segment for the period ended 30 June 2018 is contained in the consolidated statement of profit or loss and other comprehensive income.

Segment assets were \$3,750,638 at 30 June 2018 compared to \$4,064,922.

Segment liabilities were \$711,696 at 30 June 2018 compared to \$481,977.

## **Note 3. Other income**

	<b>Consolidated</b>	
	<b>30/06/2018</b>	<b>30/06/2017</b>
	<b>\$</b>	<b>\$</b>
Interest income	<u>19,368</u>	<u>1,897</u>

**Note 4. Current assets - cash and cash equivalents**

	<b>Consolidated</b>	
	<b>30/06/2018</b>	<b>31/12/2017</b>
	<b>\$</b>	<b>\$</b>
Cash at bank	1,178,059	1,522,549
Cash on deposit	2,528,697	2,509,474
	<u>3,706,756</u>	<u>4,032,023</u>

**Note 5. Current liabilities - trade and other payables**

	<b>Consolidated</b>	
	<b>30/06/2018</b>	<b>31/12/2017</b>
	<b>\$</b>	<b>\$</b>
Other payables	711,696	481,977

**Note 6. Equity - issued capital**

	<b>Consolidated</b>			
	<b>30/06/2018</b>	<b>31/12/2017</b>	<b>30/06/2018</b>	<b>31/12/2017</b>
	<b>Shares</b>	<b>Shares</b>	<b>\$</b>	<b>\$</b>
Ordinary shares - fully paid	<u>39,128,220</u>	<u>39,128,220</u>	<u>163,083,293</u>	<u>163,083,293</u>

*Ordinary shares*

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

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

*Share buy-back*

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

**Note 7. Fair value measurement**

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

**Note 8. Contingent liabilities**

On 20 June 2016 the Company informed its Asian operating subsidiaries that it was withdrawing financial support and that it believed that the withdrawal of such support would require the entities to seek voluntary administration or liquidation. At that time, the Company had intercompany accounts payable with its subsidiaries of \$4,904,770 which has been removed from these financial statements and highlighted here as a contingent liability as the Company does not believe it is likely these obligations will ever be called. The materially larger sum owed by the subsidiaries to the Company of \$92,097,167, as well as a provision in the deed of guarantee with Ernst & Young Solutions LLP ("EY") that prevents them from using such funds for any investigation of the Company in relation to any claims or proceedings against the Company provide the basis of this decision. EY has been assisting to progressively liquidate the entities. In liquidating the entities additional costs may arise that the Company may choose to settle.

**Note 9. Events after the reporting period**

No matter or circumstance has arisen since 30 June 2018 that has significantly affected, or may significantly affect the group's operations, the results of those operations, or the group's state of affairs in future financial years.

**Note 10. Loss per share**

	<b>Consolidated</b>	
	<b>30/06/2018</b>	<b>30/06/2017</b>
	<b>\$</b>	<b>\$</b>
Loss after income tax attributable to the owners of Ensogo Limited	<u>(544,003)</u>	<u>(1,128,576)</u>
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>39,128,220</u>	<u>39,128,220</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>39,128,220</u>	<u>39,128,220</u>
	<b>Cents</b>	<b>Cents</b>
Basic loss per share	(1.39)	(2.88)
Diluted loss per share	(1.39)	(2.88)

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the group's financial position as at 30 June 2018 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

On behalf of the directors

A handwritten signature in black ink, appearing to read 'Mark Licciardo', is written over a horizontal line.

Mark Licciardo  
Director

20 August 2018

## **INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF ENSOGO LIMITED**

### **Report on the Half-year Financial Statements**

#### *Conclusion*

We have reviewed the half-year financial statements of Ensogo Limited (the "Company") and its controlled entities (the "Group") which comprises the statement of financial position as at 30 June 2018, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the half-year then ended, and notes to the financial statements and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial statements of the Group is not in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Group's financial position as at 30 June 2018 and of its financial performance for the half-year ended on that date; and
- (ii) complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### *Material Uncertainty Related to Going Concern*

Without further modifying our conclusion, we draw attention to Note 1 in the financial statements which indicates that the Group incurred a net loss of \$544,003 and had operating cash outflows of \$325,267 for the half-year ended 30 June 2018. These conditions, along with other matters as stated in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.

#### *Directors' Responsibility for the Half-year Financial Statements*

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

#### *Auditor's Responsibilities for the Review of the Half-Year Financial Statements*

Our responsibility is to express a conclusion on the half-year financial statements based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial statements are not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 30 June 2018 and its financial performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Ensogo Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial statements.





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

*Independence*

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

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**ShineWing Australia**  
Chartered Accountants

A handwritten signature in black ink that reads 'R Blayney Morgan'.

R Blayney Morgan  
Partner

Sydney, 20 August 2018