

Ensurance Limited and controlled entities
Appendix 4D
Half-year report



1. Company details

Name of entity:	Ensurance Limited
ABN:	80 148 142 634
Reporting period:	For the half-year ended 31 December 2020
Previous period:	For the half-year ended 31 December 2019

2. Results for announcement to the market

			\$
Revenues from ordinary activities	up	18.5% to	2,407,895
Loss from ordinary activities after tax attributable to the owners of Ensurance Limited	down	84.8% to	(307,510)
Loss for the half-year attributable to the owners of Ensurance Limited	down	84.8% to	(307,510)

Dividends

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

Comments

The loss for the consolidated entity after providing for income tax amounted to \$307,510 (31 December 2019: \$2,024,252).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	(0.26)	(0.26)

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Audit qualification or review

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

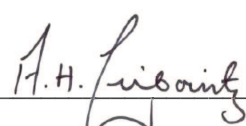
The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

7. Attachments

Details of attachments (if any):

The Interim Report of Ensurance Limited for the half-year ended 31 December 2020 is attached.

8. Signed

Signed 

Tony Leibowitz
Chairman

Date: 25 February 2021

Ensurance Limited and controlled entities

ABN 80 148 142 634

Interim Report - 31 December 2020

Ensurance Limited and controlled entities
Corporate directory
31 December 2020



Directors	Mr Tony Leibowitz Executive Chairman Appointed 29 September 2017 Mr Tony Wehby Non-executive Director Appointed 3 May 2018 Mr Adam Davey Non-executive Director Appointed 17 August 2012
Company secretary	Sam Hallab Appointed 1 February 2017
Registered office & Principal place of Business	Level 21, Westfield Tower 2 101 Grafton Street Bondi Junction NSW 2022
Postal Address	PO Box 199 Bondi Junction NSW 1355 +61 2 9167 8050
Share register	Computershare Investor Services Pty Limited Level 11, 172 St Georges Terrace Perth WA 6000 1300 850 505 (investors within Australia) +61 3 9415 4000 www.investorcentre.com
Auditor	Mazars Risk & Assurance Pty Limited Level 12, 90 Arthur St North Sydney NSW 2060 +61 2 9922 1166 www.mazars.com.au
Solicitors	Steinepreis Paganin Level 4, The Read Buildings 16 Milligan St Perth WA 6000
Stock exchange listing	Ensurance Limited (ASX code: ENA)
Website	www.ensurance.com.au

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31 December 2020



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General information

The financial statements cover Ensurance Limited as a consolidated entity consisting of Ensurance 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 Ensurance Limited's functional and presentation currency.

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

Level 21, Westfield Tower 2
101 Grafton St
Bondi Junction NSW 2022

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 24 February 2021.

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Ensurance 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 31 December 2020.

Directors

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

Mr Tony Leibowitz
Mr Adam Davey
Mr Tony Wehby

Principal activities

During the financial half-year the principal continuing activities of the consolidated entity consisted of providing customised insurance solutions specialising in both construction and terrorism and sabotage.

Review of operations

The loss for the consolidated entity after providing for income tax amounted to \$307,510 (31 December 2019: \$2,024,252).

Ensurance UK Limited has had an extremely strong start to the 2021 financial year. The UK business generated its first half-year profit of \$480K since incorporation. This performance has largely been driven by the continued growth of the portfolio, which is 18% larger in GWP terms than at 31 December 2019. The business also received the first two profit commission payments relating to the 2017 underwriting year. The payments demonstrate the high quality of their underwriting ability.

November 2020 saw a record-breaking month for the UK business, with a total of \$647K (£358K) of revenue written. It is also the first time since incorporation that the business has surpassed \$542K (£300K) of revenue in a single month. New product lines are due to be added to the portfolio in 2021.

The digitisation journey continues

The end of the December 2020 quarter saw the UK business complete a major part of development on a new IT system being launched internally. In January 2021 the team in the UK will move across to a new fully integrated IT platform, complete with workflows and CRM capabilities. The platform is expected to bring substantial efficiencies to the business. It will significantly reduce quotation time for underwriters, allowing instant quote and bind access for brokers through a portal. It will also automate current manual processes. These efficiencies will further increase the profitability of the business as well as ensuring that as Ensurance UK Limited grows. The service levels provided by the Company remain at the highest standard.

Replacement of Partnership agreement with Swiss Re

During Q4 2020 Ensurance UK Limited secured a new capacity agreement with AXA Insurance UK Plc ("AXA"). The new deal becomes effective from 1 February 2021. It allows the business to continue to provide excellent solutions for Construction and Engineering risks, that have been provided to the market in the UK since 2017.

The UK business continues to have a strong renewal retention rate of over 85%. The strong foundations of recurring revenue allow this growth to be built upon.

Significant changes in the state of affairs

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

Matters subsequent to the end of the financial half-year

No matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Ensurance Limited and controlled entities
Directors' report
31 December 2020



Future Developments, Prospects and Business Strategies

Likely developments, future prospects and business strategies of the operations of the Group and the expected results of those operations have not been included in this report as the Directors believe that the inclusion of such information would be likely to result in unreasonable prejudice to the Group.

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

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

Tony Leibowitz
Chairman

25 February 2021

AUDITORS' INDEPENDENCE DECLARATION

In relation to our review of the financial report of Ensurance Limited and its controlled entities for the half-year ended 31 December 2020, to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Ensurance Limited and its controlled entities during the half-year ended 31 December 2020.

MAZARS RISK & ASSURANCE PTY LTD



James Martin

Director

Sydney, 25th February 2021

Ensurance Limited and controlled entities
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2020



	Note	31 Dec 2020 \$	31 Dec 2019 \$
Revenue from continuing operations	4	2,401,750	1,539,235
Other income	5	205,144	-
Interest revenue		6,145	40,071
Expenses			
Business development		(36,764)	(83,995)
Compliance costs		(150,239)	(159,831)
Computers and communications		(150,715)	(137,622)
Depreciation and amortisation	6	(62,317)	(147,580)
Employment costs	6	(1,834,314)	(2,194,369)
Legal and consulting fees		(60,783)	(90,565)
Occupancy costs		(137,520)	(98,774)
Travel and accommodation		(4,543)	(66,627)
Write off of assets		(66,961)	-
Other expenses		(78,363)	(104,180)
Finance costs	6	(335,944)	(372,141)
Operating loss		(305,424)	(1,876,378)
Modified loss on sale of subsidiary		(2,086)	-
Loss before income tax expense from continuing operations		(307,510)	(1,876,378)
Income tax expense		-	-
Loss after income tax expense from continuing operations		(307,510)	(1,876,378)
Loss after income tax expense from discontinued operations	7	-	(147,874)
Loss after income tax expense for the half-year attributable to the owners of Ensurance Limited		(307,510)	(2,024,252)
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive loss for the half-year attributable to the owners of Ensurance Limited		(307,510)	(2,024,252)
Total comprehensive loss for the half-year is attributable to:			
Continuing operations		(307,510)	(1,876,378)
Discontinued operations		-	(147,874)
		(307,510)	(2,024,252)
		Cents	Cents
Earnings per share for loss from continuing operations attributable to the owners of Ensurance Limited			
Basic earnings per share	23	(0.05)	(0.58)
Diluted earnings per share	23	(0.05)	(0.58)

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

Ensurance Limited and controlled entities
Consolidated statement of financial position
As at 31 December 2020



	Note	31 Dec 2020	30 Jun 2020
		\$	\$
Assets			
Current assets			
Cash and cash equivalents		1,058,101	1,276,309
Trade and other receivables	8	1,931,886	1,630,716
Trust account insurer assets	9	19,586,426	13,240,758
Bonds on deposit		13,237	-
Prepayments		56,153	64,592
Total current assets		22,645,803	16,212,375
Non-current assets			
Receivables	10	279,788	856,471
Investments		1,200	1,200
Property, plant and equipment	11	7,096	91,418
Right-of-use assets	12	-	30,289
Intangibles	13	146,529	125,665
Bonds on deposit		-	77,466
Total non-current assets		434,613	1,182,509
Total assets		23,080,416	17,394,884
Liabilities			
Current liabilities			
Trade and other payables	14	264,698	359,861
Borrowings	15	4,727,674	4,714,997
Lease liabilities		17,233	231,106
Provisions		86,023	52,709
Trust account insurer liabilities	16	19,356,883	13,097,128
Total current liabilities		24,452,511	18,455,801
Non-current liabilities			
Provisions		5,976	3,276
Total non-current liabilities		5,976	3,276
Total liabilities		24,458,487	18,459,077
Net liabilities		(1,378,071)	(1,064,193)
Equity			
Issued capital	17	19,291,070	19,291,070
Reserves	18	750,505	1,911,211
Accumulated losses		(21,419,646)	(22,266,474)
Total deficiency in equity		(1,378,071)	(1,064,193)

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

Ensurance Limited and controlled entities
Consolidated statement of changes in equity
For the half-year ended 31 December 2020



	Issued capital \$	Reserves \$	Retained profits \$	Total deficiency in equity \$
Balance at 1 July 2019	16,301,785	1,481,655	(20,077,097)	(2,293,657)
Adjustment for change in accounting policy	-	-	(84,381)	(84,381)
Balance at 1 July 2019 - restated	16,301,785	1,481,655	(20,161,478)	(2,378,038)
Loss after income tax expense for the half-year	-	-	(2,024,252)	(2,024,252)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive loss for the half-year	-	-	(2,024,252)	(2,024,252)
Foreign exchange translation	-	19,025	-	19,025
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs	2,989,285	-	-	2,989,285
Share-based payments (note 24)	-	560,528	-	560,528
Balance at 31 December 2019	19,291,070	2,061,208	(22,185,730)	(833,452)
	Issued capital \$	Reserves \$	Retained profits \$	Total deficiency in equity \$
Balance at 1 July 2020	19,291,070	1,911,212	(22,266,475)	(1,064,193)
Loss after income tax expense for the half-year	-	-	(307,510)	(307,510)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive loss for the half-year	-	-	(307,510)	(307,510)
Expense of Options	-	41,013	-	41,013
Foreign exchange movements	-	(47,381)	-	(47,381)
Lapse of options & performance rights	-	(1,154,339)	1,154,339	-
Balance at 31 December 2020	19,291,070	750,505	(21,419,646)	(1,378,071)

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

Ensurance Limited and controlled entities
Consolidated statement of cash flows
For the half-year ended 31 December 2020



	Note	31 Dec 2020	31 Dec 2019
		\$	\$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		2,230,099	982,780
Payments to suppliers and employees (inclusive of GST)		(2,841,830)	(3,097,943)
		(611,731)	(2,115,163)
Interest received		6,145	36,002
Other revenue		168,242	-
Interest and other finance costs paid		(201,092)	(209,808)
Net cash used in operating activities		(638,436)	(2,288,969)
Cash flows from investing activities			
Payments for investments		-	(150,000)
Payments for property, plant and equipment	11	(3,949)	(30,541)
Payments for intangibles	13	(35,317)	-
Payments for financial assets		(5,650)	(8,871)
Proceeds from disposal of business		633,128	-
Net cash from/(used in) investing activities		588,212	(189,412)
Cash flows from financing activities			
Proceeds from issue of shares	17	-	3,511,291
Interest and other finance costs paid		(89,103)	(96,392)
Repayment of borrowings		(26,662)	(212,005)
Repayment of lease liabilities		(52,219)	(156,347)
Net cash from/(used in) financing activities		(167,984)	3,046,547
Net increase/(decrease) in cash and cash equivalents		(218,208)	568,166
Cash and cash equivalents at the beginning of the financial half-year		1,276,309	2,075,180
Cash and cash equivalents at the end of the financial half-year		1,058,101	2,643,346
Cashflows from discontinued operations		-	(241,885)

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

1. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2020 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 30 June 2020 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

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

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

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

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

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

Revenue

Revenue is recognised when the Group has satisfied its performance obligations, which occurs when control of the goods or services are transferred to the customer. This is deemed to be the policy inception date. An invoice and policy documents are created at the date of inception, which specify each party's rights and obligations, the price of the policy, the payment terms and the level of coverage. The insured party assumes full control at the date of inception and cover is enforceable as at that date, regardless of when payment is received. When the performance obligation has been satisfied, the Group will recognise as revenue the amount of the transaction price that is allocated to the performance obligation, after excluding any estimates of variable consideration that are constrained in respect of settlement activities.

All revenue is stated net of the amount of GST/VAT (Note 2 (f) (iii) Goods and Services Tax (GST) and Value Added Tax (VAT)).

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method. The component of the convertible notes that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs.

On the issue of the convertible notes the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond and this amount is carried as a non-current liability on the amortised cost basis until extinguished on conversion or redemption. The increase in the liability due to the passage of time is recognised as a finance cost. The remainder of the proceeds are allocated to the conversion option that is recognised and included in shareholders equity as a convertible note reserve, net of transaction costs. The carrying amount of the conversion option is not remeasured in the subsequent years. The corresponding interest on convertible notes is expensed to profit or loss.

1. Significant accounting policies (continued)

Reverse acquisition

Ensurance Ltd is listed on the Australian Securities Exchange. The Company completed the legal acquisition of Ensurance Capital Pty Ltd (Ensurance Capital) on 5 May 2015.

Ensurance Capital (the legal subsidiary) was deemed to be the acquirer for accounting purposes as it has obtained control over the operations of the legal acquirer Ensurance (accounting subsidiary). Notwithstanding, as Ensurance Ltd is the listed entity and the ultimate holding company of the Ensurance Group of companies, the financial statements have been referred to as the financial statements of Ensurance Ltd.

Accounting for Government Grants and Disclosure of Government Assistance

During the period grants were received in the form of cash flow boosts due to COVID-19. The cash flow boost is recognised as income when the cash is received.

Going concern

The financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Group incurred a net loss for the period of \$307,150 (2019: \$2,024,252). As at 31 December 2020, the Group had negative working capital of \$1,806,708 (Jun 2020 \$2,213,137) and net liabilities of \$1,378,071 (Jun 2020 \$1,064,193).

The liabilities include a \$2,500,000 related party loan from Kalonda Pty Limited due for repayment on the 19 June 2021. Kalonda Pty Limited is owned by the Chairman Tony Leibowitz. There is also convertible notes of \$2,188,335 due for repayment on 30 June 2021.

Based on the UK being profitable, the cashflow forecast and ongoing financial support from a major shareholder, the Group has sufficient working capital to fund its mandatory obligations for the next 12 months from the date of this report. The UK is cash flow positive and projects that they will continue to generate free cash flows.

The ability of the Group to continue as a going concern is dependent upon the continued unconditional financial support provided by a major shareholder of Ensurance Limited. The Letter of Financial Support was received on the 18 of August 2020, for a period of 18 months. The major shareholder has had no change in their circumstances, that would adversely affect them from providing the support indicated in the letter. On this basis, it is the Directors belief that the Group is able to pay its debts as and when they fall due and will have adequate resources to continue operating for the foreseeable future. For this reason, the Directors consider the going concern basis of preparation to be appropriate.

2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the consolidated entity based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the consolidated entity operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the consolidated entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

2. Critical accounting judgements, estimates and assumptions (continued)

Share-based payment transactions

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

3. Operating segments

Identification of reportable operating segments

The consolidated entity is organised into 2 operating segments: These being the business in the UK and the head office in Australia. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The CODM reviews EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is on a monthly basis.

Intersegment transactions

Intersegment transactions were made at cost. Intersegment transactions are eliminated on consolidation.

Operating segment information

	Ensurance UK \$	Head Office \$	Total \$
31 Dec 2020			
Revenue			
Sales to external customers	2,401,750	-	2,401,750
Interest revenue	4,542	1,603	6,145
Total revenue	2,406,292	1,603	2,407,895
EBITDA	492,889	(335,177)	157,712
Depreciation and amortisation	(61,589)	(728)	(62,317)
Impairment of assets	(66,961)	-	(66,961)
Finance costs	(4,138)	(331,806)	(335,944)
Profit/(loss) before income tax expense	360,201	(667,711)	(307,510)
Income tax expense			-
Loss after income tax expense			(307,510)
Assets			
Segment assets	21,746,879	26,433,219	48,180,098
Intersegment eliminations			(25,099,682)
Total assets			23,080,416
Liabilities			
Segment liabilities	19,581,143	14,793,867	34,375,010
Intersegment eliminations			(9,916,523)
Total liabilities			24,458,487

Ensurance Limited and controlled entities
Notes to the consolidated financial statements
31 December 2020



3. Operating segments (continued)

	Ensurance UK \$	Head Office \$	Information technology \$	Discountinued Operations \$	Total \$
31 Dec 2019					
Revenue					
Sales to external customers	1,539,235	-	-	-	1,539,235
Other revenue	4,080	35,678	-	-	39,758
Discountinued operations	-	-	-	452,629	452,629
Total revenue	1,543,315	35,678	-	452,629	2,031,622
Depreciation and amortisation	(125,213)	(22,366)	-	-	(147,579)
Loss on disposal of discontinued operation	-	-	-	(147,875)	(147,875)
Other expenses	(294,809)	(1,143,914)	(290,075)	-	(1,728,798)
Loss before income tax expense	(420,022)	(1,166,280)	(290,075)	(147,875)	(2,024,252)
Income tax expense					-
Loss after income tax expense					(2,024,252)

30 Jun 2020

Assets					
Segment assets	15,145,703	26,968,156	-	-	42,113,859
Intersegment eliminations					(24,718,975)
Total assets					17,394,884
Liabilities					
Segment liabilities	13,579,124	14,699,260	-	-	28,278,384
Intersegment eliminations					(9,819,307)
Total liabilities					18,459,077

4. Revenue

	31 Dec 2020 \$	31 Dec 2019 \$
From continuing operations		
Underwriting commission	2,208,730	1,539,235
Profit commission	193,020	-
Revenue from continuing operations	2,401,750	1,539,235

5. Other income

	31 Dec 2020 \$	31 Dec 2019 \$
Net gain on disposal of business	36,902	-
Government grants - cash flow boost	153,798	-
Other income	14,444	-
Other income	205,144	-

Ensurance Limited and controlled entities
Notes to the consolidated financial statements
31 December 2020



6. Expenses

	31 Dec 2020	31 Dec 2019
	\$	\$
Depreciation and amortisation		
Depreciation expense	(20,263)	(22,455)
Amortisation - Software	(12,681)	-
Amortisation - Right of use assets	(29,373)	(125,125)
	(62,317)	(147,580)

	31 Dec 2020	31 Dec 2019
Finance costs		
Interest on convertible notes	(128,843)	(135,645)
Short-term loan interest and finance costs	(835)	(343)
Interest on related party loans	(201,093)	(204,931)
Interest on lease liability	(5,173)	(31,222)
	(335,944)	(372,141)

	31 Dec 2020	31 Dec 2019
	\$	\$
Employee Entitlements		
Non-Executive Director fees	(45,043)	(52,375)
Increase/(Decrease) in employee benefit provisions	(36,012)	(9,183)
Superannuation expenses	(109,242)	(138,599)
Wages and salaries	(1,464,463)	(1,816,257)
Other employment related costs	(176,693)	(177,955)
	(1,831,453)	(2,194,369)

7. Discontinued operations

Financial performance information

	31 Dec 2020	31 Dec 2019
	\$	\$
Discontinued revenue	-	452,316
Other discontinued income	-	313
Discontinued expense	-	(600,503)
Loss before income tax expense	-	(147,874)
Income tax expense	-	-
Loss after income tax expense from discontinued operations	-	(147,874)

Cash flow information

	31 Dec 2020	31 Dec 2019
	\$	\$
Net cash used in operating activities	-	(241,885)

Ensurance Limited and controlled entities
Notes to the consolidated financial statements
31 December 2020



8. Trade and other receivables

	31 Dec 2020	30 Jun 2020
	\$	\$
Other receivables	1,964,554	1,663,927
Less: Allowance for expected credit losses	(32,668)	(33,211)
	1,931,886	1,630,716

9. Trust account insurer assets

	31 Dec 2020	30 Jun 2020
	\$	\$
Insurance debtors	10,479,001	9,515,767
Trust accounts	9,107,425	3,724,991
	19,586,426	13,240,758

Please see the reconciliation of trust assets in the trust liabilities note.

10. Receivables

	31 Dec 2020	30 Jun 2020
	\$	\$
Other receivables	291,394	871,493
Less: Allowance for expected credit losses	(11,606)	(15,022)
	279,788	856,471

The net movement in the expected credit loss, time value of money and modified gain due to the early payment of funds from the sale of Ensurance Underwriting Limited have been included in the Net gain on disposal of business (Other income note).

11. Property, plant and equipment

	31 Dec 2020	30 Jun 2020
	\$	\$
Plant and equipment - at cost	89,255	85,682
Less: Accumulated depreciation	(82,381)	(80,390)
	6,874	5,292
Fixtures and fittings - at cost	174,482	179,766
Less: Accumulated depreciation	(107,299)	(93,640)
Less: Impairment	(66,961)	-
	222	86,126
	7,096	91,418

11. Property, plant and equipment (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

	Plant & Equipment \$	Furniture & Fittings \$	Total \$
Balance at 1 July 2020	5,292	86,126	91,418
Additions	3,949	-	3,949
Exchange differences	(45)	(1,002)	(1,047)
Impairment of assets	-	(66,961)	(66,961)
Depreciation expense	(2,322)	(17,941)	(20,263)
Balance at 31 December 2020	6,874	222	7,096

12. Right-of-use assets

	31 Dec 2020 \$	30 Jun 2020 \$
Right of use assets	717,010	729,007
Less: Accumulated depreciation	(717,010)	(698,718)
	-	30,289

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

	Office Space \$	Total \$
Balance at 1 July 2020	30,289	30,289
Exchange differences	(916)	(916)
Depreciation expense	(29,373)	(29,373)
Balance at 31 December 2020	-	-

The company no longer has office space under lease. Our current premises are on a month by month basis. In the prior year we had leases in London, Sydney and Melbourne.

13. Intangibles

	31 Dec 2020 \$	30 Jun 2020 \$
Software - at cost	158,926	125,665
Less: Accumulated amortisation	(12,397)	-
	146,529	125,665

13. Intangibles (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

	Software \$	Total \$
Balance at 1 July 2020	125,665	125,665
Additions	35,317	35,317
Exchange differences	(1,772)	(1,772)
Amortisation expense	(12,681)	(12,681)
Balance at 31 December 2020	146,529	146,529

14. Trade and other payables

	31 Dec 2020 \$	30 Jun 2020 \$
Trade payables	139,608	262,507
Other payables	125,090	97,354
	264,698	359,861

15. Borrowings

	31 Dec 2020 \$	30 Jun 2020 \$
Bank loans	-	26,662
Related party loan	2,500,000	2,500,000
Convertible notes payable	2,227,674	2,188,335
	4,727,674	4,714,997

The convertible notes are due to expire on 30 June 2021. These notes can be converted into equity at 0.015 cents per share. This would convert to 148,099,200. If these notes are not converted to shares, they will be redeemed at this point.

The net proceeds received from the issue of the convertible notes have been split between the financial liability element and an equity component, representing the residual attributable to the option to convert the financial liability into equity of the Company. The equity derivative has been credited to equity (option premium on convertible notes). The liability and interest components are measured at amortised cost.

In June 2019, the Company established a \$2.5m loan with Kalonda Pty Ltd, a related entity of Mr Tony Leibowitz. Interest on the facility is charged at 16% per annum.

16. Trust account insurer liabilities

	31 Dec 2020 \$	30 Jun 2020 \$
Underwriter's liability	18,800,796	12,719,614
Other	556,087	377,514
	19,356,883	13,097,128

Ensurance Limited and controlled entities
Notes to the consolidated financial statements
31 December 2020



16. Trust account insurer liabilities (continued)

Reconciliation of insurer assets

Trust account insurer assets

Insurance debtors	10,479,001	9,515,767
Trust accounts	9,107,425	3,724,992
Total trust account assets	19,586,426	13,240,759

Trust account insurer liabilities

Underwriter's liability	(18,800,796)	(12,719,614)
Other	(556,087)	(377,514)
Total trust account liabilities	(19,356,883)	(13,097,128)

Excess of insurance assets over liabilities	229,543	143,631
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The excess is cash in the trust account that belongs to Ensurance UK. This amount had not been drawn out of the account as at 31 December 2020.

17. Issued capital

	31 Dec 2020	30 Jun 2020	31 Dec 2020	30 Jun 2020
	Shares	Shares	\$	\$
Ordinary shares - fully paid	570,956,232	570,956,232	19,291,070	19,291,070

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.

18. Reserves

	31 Dec 2020	30 Jun 2020
	\$	\$
Revaluation surplus reserve	(800)	(800)
Foreign currency translation reserve	(208,494)	(161,113)
Share-based payments reserve	803,857	1,917,182
Options reserve	155,942	155,942
	750,505	1,911,211

Revaluation surplus reserve

The reserve is used to recognise increments and decrements in the fair value of shares held.

Foreign currency reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of the UK operations to Australian dollars.

18. Reserves (continued)

Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Movements in reserves

Movements in each class of reserve during the current financial half-year are set out below:

	Asset Revaluation \$	Share Based Payment \$	Foreign Currency Translation \$	Convertible Note Option Premium \$	Total \$
Balance at 1 July 2020	(800)	1,917,182	(161,113)	155,942	1,911,211
Foreign currency translation	-	-	(47,381)	-	(47,381)
Expense of options	-	41,014	-	-	41,014
Lapse of options and performance rights	-	(1,154,339)	-	-	(1,154,339)
Balance at 31 December 2020	(800)	803,857	(208,494)	155,942	750,505

19. Contingent liabilities

There has been no change in contingent liabilities since the last annual reporting period.

20. Commitments

There have been no changes to commitments since the last annual reporting period.

21. Related party transactions

Parent entity

Ensurance Limited is the parent entity.

Transactions with related parties

The following transactions occurred with related parties:

	31 Dec 2020 \$	31 Dec 2019 \$
Interest paid to Kalonda Pty Limited	201,093	204,931
Other transactions:		
On 18 August 2020, the Company paid Mr Tony Leibowitz for a letter of guarantee, confirming he would continue to support the Company financially for eighteen months.	20,000	20,000
Remuneration paid to related parties of KMP	-	18,234

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Ensurance Limited and controlled entities
Notes to the consolidated financial statements
31 December 2020



21. Related party transactions (continued)

Loans to/from related parties

The following balances are outstanding at the reporting date in relation to loans with related parties:

	31 Dec 2020 \$	30 Jun 2020 \$
Current borrowings:		
In June 2019, the Company established a loan with Kalonda Pty Ltd, a related entity of Mr Tony Leibowitz. Interest on the facility is charged at 16% per annum. The loan is due to expire on 19 June 2021.	2,500,000	2,500,000

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

22. Events after the reporting period

No matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

23. Earnings per share

	31 Dec 2020 \$	31 Dec 2019 \$
<i>Earnings per share for loss from continuing operations</i>		
Loss after income tax attributable to the owners of Ensurance Limited	(307,510)	(1,876,378)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	570,956,232	351,818,366
Weighted average number of ordinary shares used in calculating diluted earnings per share	570,956,232	351,818,366
	Cents	Cents
Basic earnings per share	(0.05)	(0.58)
Diluted earnings per share	(0.05)	(0.58)
	31 Dec 2020 \$	31 Dec 2019 \$
<i>Earnings per share for loss from discontinued operations</i>		
Loss after income tax attributable to the owners of Ensurance Limited	-	(147,874)
	31 Dec 2020 \$	31 Dec 2019 \$
<i>Earnings per share for loss</i>		
Loss after income tax attributable to the owners of Ensurance Limited	(307,510)	(2,024,252)

During half-year ended 31 December 2020 the Group's unissued shares under option were anti-dilutive.

23. Earnings per share (continued)

In calculating the number of ordinary shares outstanding (the denominator of the EPS calculation) for the half-year ended 31 December 2020 the number of ordinary shares outstanding at the beginning of the half-year ended 31 December 2020 shall be adjusted by the number of shares issued in the period multiplied by the number of days they were in issue divided by the total number of days in the reporting period.

\$2,221,488 convertible notes were issued by the Company on 30 June 2019. The convertible notes have a nominal interest rate of 8% per annum and an effective interest rate of 12% per annum. At 31 December 2020, the conversion price of each note was \$0.015. The term of the notes is 2 years. The convertible notes were anti-dilutive as at 31 December 2020.

24. Share-based payments

Partly paid shares

There are no partly paid shares as at 31 December 2020. 8,000,000 partly paid shares paid to \$0.0001 were forfeited as of 30 November 2020 per ASX announcement dated 7 December 2020.

Options

Set out below are summaries of options granted under the plan:

31 Dec 2020

Grant date	Expiry date	Exercise price	Balance at the start of the half-year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the half-year
09/08/2017	31/07/2020	\$0.120	1,000,000	-	-	(1,000,000)	-
09/08/2017	31/07/2020	\$0.017	3,000,000	-	-	(3,000,000)	-
09/08/2017	31/07/2020	\$0.080	2,597,314	-	-	(2,597,314)	-
09/08/2017	31/07/2020	\$0.015	3,500,000	-	-	(3,500,000)	-
15/12/2017	15/12/2020	\$0.050	7,250,000	-	-	(7,250,000)	-
06/12/2019	06/06/2021	\$0.020	43,971,252	-	-	-	43,971,252
20/12/2019	06/06/2021	\$0.020	19,246,090	-	-	-	19,246,090
05/07/2019	30/06/2021	\$0.040	12,634,301	-	-	-	12,634,301
28/11/2018	10/07/2021	\$0.050	1,000,000	-	-	-	1,000,000
28/11/2018	10/07/2021	\$0.080	1,000,000	-	-	-	1,000,000
28/11/2018	31/12/2022	\$0.040	3,000,000	-	-	-	3,000,000
28/11/2018	31/12/2023	\$0.060	5,000,000	-	-	-	5,000,000
28/11/2018	31/12/2023	\$0.090	7,000,000	-	-	-	7,000,000
			110,198,957	-	-	(17,347,314)	92,851,643

Performance rights

Set out below are summaries of performance rights granted under the plan:

	Number of rights	
	31 Dec 2020	31 Dec 2019
Outstanding at the beginning of the financial half-year	1,500,000	1,500,000
Expired	(1,500,000)	-
Outstanding at the end of the financial half-year	-	1,500,000

Ensurance Limited and controlled entities
Directors' declaration
31 December 2020



In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2020 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 'A.H. Leibowitz', written over a horizontal line.

Tony Leibowitz
Chairman

25 February 2021

Report on the Half-year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Ensurance Limited and its controlled entities (the "Group"), which comprises the consolidated statement of financial position as at 31 December 2020 and consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, significant accounting policies, explanatory notes 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 report of Ensurance Limited and its controlled entities 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 31 December 2020 and of its 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.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity (ASRE 2410). Our responsibilities are further described in the Auditor's responsibilities for the review of the half-year financial report section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' responsibility for the half-year financial report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

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

Material Uncertainty - Going Concern

We draw attention to Note 1 in the financial report, which indicates that the Group incurred a net loss of \$307,510 during the half-year ended 31 December 2020 (December 2019: \$2,024,252 loss). As at 31 December 2020, the Group's statement of financial position reflected negative working capital of \$1,806,708 (June 2020: working capital deficit \$2,213,137) and net liabilities of \$1,378,071 (June 2020: \$1,064,193) which includes related party loans of \$2,500,000 and convertible notes of \$2,188,335 due for repayment on 19 June 2021 and 30 June 2021 respectively.

The ability of the Group to continue as a going concern and pay their debts as and when they fall due is dependent upon the continued and ongoing unconditional financial support of a major shareholder. Should the ongoing financial support cease, then a material uncertainty exists which may cast significant doubt as to the Group's ability to continue as a going concern and therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report.

MAZARS RISK & ASSURANCE PTY LIMITED



James Martin

Director

Sydney, 25th February 2021