

ANNUAL REPORT

30 June 2017

AND CONTROLLED ENTITIES
ABN 80 148 142 634

Corporate directory

DIRECTORS

Adam DaveyChairmanAppointed 17 August 2012Stefan HicksManaging DirectorAppointed 1 May 2015Brett GravesExecutive DirectorAppointed 1 May 2015Neil PinnerNon-Executive DirectorAppointed 1 May 2015

Grant Priest Non-Executive Director Appointed 7 September 2015

COMPANY SECRETARY

Sam Hallab (appointed 1

February 2017)

REGISTERED OFFICE & PRINCIPAL PLACE OF BUSINESS

Street: Level 2/2 Glen St Computershare Investor Services Pty Limited

Milsons Point NSW 2061 Level 11, 172 St Georges Terrace

Postal: PO Box 523 PERTH WA 6000

Milsons Point NSW 1565 Telephone: 1300 850 505 (investors within

Australia)

Telephone: +61 (0)2 9806 2000 Telephone: +61 (0)3 9415 4000

Facsimile: +61 (0)2 9806 2099 Email: web.queries@computershare.com.au

Website: ensurance.com.au Website: www.investorcentre.com

SECURITIES EXCHANGE

Australian Securities Exchange

Level 40, Central Park, 152-158 St Georges Terrace

Perth WA 6000

Telephone: 131 ASX (131 279) (within Australia)

Telephone: +61 (0)2 9338 0000 Facsimile: +61 (0)2 9227 0885 Website: www.asx.com.au

ASX Code: ENA

AUDITORS

Mazars Risk & Assurance Pty Limited

Level 12, 90 Arthur Street NORTH SYDNEY NSW 2060

Telephone: +61 (0) 2 99 22 11 66 Website: www.mazars.com.au

SOLICITORS TO THE COMPANY

Steinepreis Paganin

SHARE REGISTRY

Level 4, The Read Buildings, 16 Milligan Street

PERTH WA 6000



ANNUAL REPORT

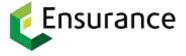
30 June 2017

ENSURANCE LIMITED

AND CONTROLLED ENTITIES
ABN 80 148 142 634

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AND CONTROLLED ENTITIES
ABN 80 148 142 634

Directors' report

Your directors present their report on the consolidated entity, consisting of Ensurance Limited (Ensurance or **the Company**) and its controlled entities (collectively **the Group**), for the financial year ended 30 June 2017.

1. Directors

The names of Directors in office at any time during or since the end of the year are:

Mr Adam Davey Chairman

Mr Stefan Hicks Managing Director
 Mr Brett Graves Executive Director
 Mr Neil Pinner Non-Executive Director
 Mr Grant Priest Non-Executive Director

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated. For additional information of Directors including details of the qualifications of Directors please refer to paragraph 6 "Information relating to the directors and company secretary" of this Directors Report.

2. Company secretary

The following person held the position of Company Secretary at the end of the financial year:

Mr Sam Hallab

Qualifications

B.Ec., CA, F-AIST, GAICD, Diploma FP

Experience

Mr Hallab has spent more than 35 years in the financial sector and brings extensive experience to the group. As a chartered accountant, he was a partner with Sydney accounting firm Sothertons for more than a decade before moving into the superannuation industry as Deputy CEO of the Australian Catholic Superannuation and Retirement Fund. Mr Hallab also held positions of COO, CFO and Company Secretary. He is a registered auditor and tax agent and has gained extensive experience in risk management and compliance.

3. Dividends paid or recommended

There were no dividends paid or recommended during the financial year ended 30 June 2017.

4. Significant changes in the state of affairs

During the year the group established a wholly owned subsidiary in the United Kingdom, namely Ensurance UK Limited, with the intention of expanding the business into the United Kingdom and European markets. This involved incorporating the company, establishing a base of operations in London and hiring an experienced team of underwriters.

5. Operating and financial review

5.1. Nature of Operations Principal Activities

The Ensurance Group operates three distinct businesses in the insurance industry consisting of an insurance brokerage, insurance underwriting agency and an information technology company.

The insurance brokerage, Savill Hicks Corp Pty Ltd (SHC), has operated nationally for over 25 years with the complementary underwriting agency having been established in 2013. Ensurance IT Pty Ltd (Ensurance IT), the IT business, has developed an online platform which has enabled the business to execute real-time insurance sales online for the past 8 years. Ensurance IT has developed a new platform, taking advantage of its knowledge, experience and the availability of improved technology to enable the Ensurance Group to not only conduct its own existing insurance brokerage business more efficiently but also to assist in marketing the platform to "white label" clients.

"White labelling" is the branding by the marketing company of a producer's products. It provides organisations with the ability to take advantage of market opportunities by leveraging the capabilities of other businesses without the need to develop these capabilities internally. This means they can avoid the need to design and build systems with the attendant costs and logistical difficulties associated with starting from scratch. In the insurance industry it allows institutions and large industry participants, such as the mortgage broking industry, to label insurance products as their own and cross-sell these to their existing client bases. This brings the benefits associated with economies of scale into play.



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Directors' report

5.2. Financial Review

a. Operating results

The Group delivered a FY17 loss after tax of \$5.093m, representing an increase of \$3.316m on the prior year loss of \$1.777m. The increase in the loss of the group was due to several main factors:

- Increase in Employment Costs (predominately in sales, software development and the establishment of the London office);
- Increase in Finance costs (principally involved in interest on convertible notes and short-term financing)
- Increase in Communications costs as a result of significantly less time spent by the IT team in R&D activities in Australia and more time spent on the establishment of IT systems for the UK office. The R&D activities are normally capitalised, whereas UK activities are treated as an expense.

Additional sales personnel and additional targeted marketing activities have allowed the Group to secure 163 white label partners as at 30 June 2017. There are now three insurers on the Ensurance white label platform, each offering multiple insurance products with a total of 10 quote options.

Revenue of the Group increased to \$3.219M. This has been driven by Ensurance Underwriting which has continued its strong growth trend. The result underscores the strong market share gain experienced by the Group, particularly in its underwriting and white label businesses.

In April 2017, the Company completed the process of raising \$3.0m via a Convertible Notes issue. These funds helped finance the Group's growth agenda and global reach. Further, in June 2017, the Company conducted a non-renounceable entitlement issue of five new fully paid ordinary shares in the Company for every eleven held by eligible shareholders to raise approximately \$2.078m. The entitlement issue was completed on 26 June 2017 with the under subscription of \$1.479m taken up by Transocean Securities Pty Ltd, the underwriters of the issue.

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. Details of the Company's assessment in this regard can be found in Note 1a.ii Basis of preparation: Going Concern.

b. Financial position

The net assets of the Group have decreased from 30 June 2016 by \$2.841m to a net deficiency of \$1.999m at 30 June 2017 (2016: Net assets of \$0.842m).

As at 30 June 2017, the Group's cash and cash equivalents increased from 30 June 2016 by \$180,228 to \$569,873 at 30 June 2017 (2016: \$389,645) and had a working capital deficit of \$1.229m (2016: \$1.091m working capital deficit).

5.3. Events Subsequent to Reporting Date

On 31 July 2017, the Company issued the following unlisted options for ordinary shares: 1,000,000 options exercisable at 12 cents and expiring 31 July 2020, 3,000,000 options exercisable at 9.2 cents and expiring 31 July 2020; and 6,097,314 options exercisable at 8 cents and expiring 31 July 2020. These options were issued in connection with the Entitlement Offer Prospectus dated 6 June 2017 (9,097,314 options) and in connection with a short-term loan agreement (1,000,000 options).

The Company entered into an underwriting agreement on 27 September 2017 with Transocean Pty Limited in respect of its intention to undertake a placement program for eligible investors with a view to raising \$3,000,000 before capital raising cost.

The Company entered into a loan agreement on 27 September 2017 with Kalonda Pty Ltd ATF Leibowitz Superannuation Fund to make available to the Group a cash advance facility on a progressive basis up to but not exceeding \$1,150,000, payable at the earliest of 3 months from the initial drawdown or the finalisation of the \$3,000,000 share placement plan.

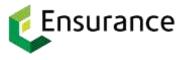
There are no other significant after balance date events that are not covered in this Directors' Report or within the financial statements at Note 28 Events subsequent to reporting date.

5.4. 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.

5.5. Environmental Regulations

The Group's operations are not subject to significant environmental regulations in the jurisdictions it operates in, namely Australia and the United Kingdom.



Directors' report

Information relating to the directors

Mr Adam Davey

▶ Independent Non-Executive Chairman

Length of service

▶ 4 years, 11 months from appointment 17 August 2012 (last re-elected 29 November 2016)

Qualifications

Professional Diploma in Stockbroking

Experience

Mr Davey has had experience in the securities industry over the past 25 years. He has served as a Non-Executive Director of a number of industrial and mining companies. He has significant experience in capital raisings, mergers and acquisitions. Mr Davey also serves as Chairman of the non-for-profit organisation Teen Challenge Foundation.

Special responsibilities

Chairman of the Board, member of the Remuneration & Nominations Committee and a member of the Audit, Risk & Compliance Committee.

Interest in Shares and Options

▶ 604,090 ordinary shares in Ensurance Limited (indirect) (2016: 520,000). Increased holding a result of Entitlement Issue. Cash was paid for these shares. 4,000,000 partly paid shares in Ensurance Limited (indirect) (2016: 4,000,000)

Directorships held in other listed entities

Non-executive director of ePat Technologies Limited and Ausnet Financial Services Limited.

Mr Stefan Hicks

Managing Director

Length of service

2 years, 4 months from appointment 1 May 2015 (last re-elected 30 November 2015)

Qualifications

MAICD, Diploma Financial Services

Experience

Mr Hicks is currently the managing director of Ensurance, a founder and director of Savill Hicks Corp Pty Ltd (SHC), a director of Ensurance Capital Pty Ltd, Ensurance Life, Ensurance Underwriting, Ensurance IT and Savill Hicks Corp (NSW) Pty Ltd (a wholly owned subsidiary of SHC). Mr Hicks has previously held senior insurance positions in Alexander Stenhouse (Aon), Perth; Willis Faber Johnson and Higgins (Willis), Melbourne; and stockbroker position with Perth based boutique corporate advisory firm Montagu Stockbrokers. He is a member of the Australian Institute of Company Directors and holds a Diploma of Financial Services.

Special responsibilities

Managing Director

Interest in Shares and **Options**

▶ 16,369,044 ordinary shares in Ensurance Limited (direct) (2016: 16,369,044) 9,560,962 ordinary shares in Ensurance Limited (indirect) (2016: 9,560,962)

Directorships held in other listed entities

None

Mr Brett Graves

Executive Director

Length of service Qualifications

2 years, 4 months from appointment 1 May 2015 (last re-elected 29 November 2016)

ANZIIF (Fellow) CIP

Experience

Mr Graves is a director and the CEO of Savill Hicks Corp Pty Ltd. He is also a director of Ensurance Capital Pty Ltd, Ensurance Underwriting Pty Ltd, Ensurance IT Pty Ltd, Ensurance Life Pty Ltd, Savill Hicks Corp Pty Ltd (SHC) and Savill Hicks Corp (NSW) Pty Ltd (a wholly owned subsidiary of SHC). Mr Graves' expertise includes implementation of growth strategies, oversight and management of national online solutions and partner program (white labelling), managing relationships with insurers, advising Government boards on the implementation and strategy of legislative insurance products, management of current binder arrangements, compliance management including risk management, human resources management, budgeting / business planning and corporate client management.

Mr Graves previously held various senior national positions in AAI Limited trading as Vero Insurance (Sydney and Melbourne), including National Underwriting Manager for Home Warranty and Construction and is a Fellow of Australian and New Zealand Institute of Insurance and Finance.



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Directors' report

Special responsibilities Interest in Shares and Options Member of Audit, Risk & Compliance Committee.

14,545 ordinary shares in Ensurance Limited (direct) (2016: 10,000).
 4,196,354 ordinary shares in Ensurance Limited (indirect) (2016: 2,884,994). Increased holdings due to Entitlement Issue. Shares paid for by offsetting amounts owed to Mr Graves.

Directorships held in other listed entities

None

Mr Neil Pinner

▶ Independent Non-Executive Director

Length of service

2 years, 4 months from appointment 1 May 2015 (last re-elected 30 November 2015)

Experience

Mr Pinner has spent the past 44 years in the banking and finance industry.
After 18 years with the Commonwealth Bank, Mr Pinner co-founded Mortgage Force Australia which later became Smartline Personal Mortgage Advisers and is now one of Australia's leading mortgage broking firms. Smartline has around 300 franchisees Australia wide and funds in excess of five billion per annum in home mortgage lending.

Mr Pinner is one of the original pioneers of the mortgage industry, and has helped shape the industry, not only in his role as a director of Mortgage Force and Smartline, but he has also played an active role in the Mortgage Finance Association of Australasia. He was on the first ever Mortgage Originator Committee of Western Australia and then in later years on the National Brokering Industry Board. Mr Pinner brings an extensive network of mortgage broking and banking industry contacts to Parker and its Board.

Mr Pinner was recently appointed to the board of Perth Racing which complements his many years following his passion for the thoroughbred industry as a breeder and owner

Special responsibilities

Chairman of Remuneration & Nominations Committee

Interest in Shares and Options

10,000 ordinary shares in Ensurance Limited (direct) (2016: 10,000)
 748,181 ordinary shares in Ensurance Limited (indirect) (2016: 517,500). Increased holding due to Entitlement Issue. Shares were paid for by offsetting amounts owed to Mr Pinner.

Directorships held in other listed entities

None

Mr Grant Priest

Independent Non-Executive Director

Length of service

2 years, 1 month from appointment 7 September 2015 (last re-elected 30 November 2015)

Qualifications

BBus, Diploma of Financial Services, FCA, CTA

Experience

Mr Priest is a director of the Perth Chartered Accounting firm Sothertons. He has been with Sothertons since 1982 and was appointed a director in 1988. He was a director of the Board of the National Sothertons Group from 1994 to 2001 and was Chairman of the board from 1998 to 2000.

Mr Priest has extensive experience in commercial transactions involving equity placement, enterprise sale and purchase, relationship and service arrangements, granting of licencing rights, transaction structuring and strategy, risk mitigation, due diligence and investigative analysis and finance strategies. These skills and experiences have been gained during Mr Priest's 33 years in public Chartered Accountancy practice, his various roles with listed and unlisted funds and companies, as well as representing the interests of a number of large family estates. Mr Priest also has extensive experience in the audit of AFSL holders in the Insurance brokerage industry.

Mr Priest was a founding non-executive director of Paladin Australia Ltd from 1994 to 1999, Chairman of Carpathian Resources Ltd from 2004 to 2006 and has been Chairman of Life Plan Recreation and Leisure Association Inc. since 1999. He is currently as a director and company secretary to AFSL licence holder of Knights Capital Management Pty Ltd. Grant sits on the Human Research Ethics Committee at Princess Margaret Hospital.

Special responsibilities

 Chairman of the Audit, Risk & Compliance Committee and member of Remuneration & Nominations Committee.

Interest in Shares and Options

 72,725 ordinary shares in Ensurance Limited (indirect) (2016: 50,000). Increased holding a result of Entitlement Issue. Cash was paid for these shares.

Directorships held in other listed entities

None



Directors' report

7. Meetings of directors and committees

During the financial year seven meetings of Directors were held. Attendances by each Director during the year are stated in the following table.

	DIRECTORS' MEETINGS		•	COMPLIANCE MITTEE	REMUNERATION & NOMINATIONS COMMITTEE	
	Number eligible to Aumber Attended attend		Number eligible to attend	Number eligible to attend	Number eligible to attend	Number Attended
Adam Davey	7	7	3	3	2	2
Stefan Hicks	7	5	Nil	N/A	Nil	N/A
Brett Graves	7	7	3	3	Nil	N/A
Neil Pinner	7	5	Nil	N/A	2	1
Grant Priest	7	7	3	3	2	2

8. Indemnifying officers or auditor

8.1. Indemnification

The Company has entered an Indemnity, Insurance and Access Deed with each Director. Pursuant to the Deed:

The Director is indemnified by the Company against any liability incurred in that capacity as an officer of the Company to the maximum extent permitted by law subject to certain exclusions.

The Company must keep a complete set of company documents until the later of:

- a. The date which is seven years after the Director ceases to be an officer of the Company; and
- b. The date after a final judgment or order has been made in relation to any hearing, conference, dispute, enquiry or investigation in which the Director is involved as a party, witness or otherwise because the Director is or was an officer of the Company (Relevant Proceedings).

The Director has the right to inspect and copy a Company document in connection with any relevant proceedings during the period referred to above.

Subject to the next sentence, the Company must maintain an insurance policy insuring the Director against liability as a director and officer of the Company while the Director is an officer of the Company and until the later of:

- a. The date which is seven years after the Director ceases to be an officer of the Company; and
- b. The date any Relevant Proceedings commenced before the date referred to above have been finally resolved.

The Company may cease to maintain the insurance policy if the Company reasonably determines that the type of coverage is no longer available.

The Company has not entered into any agreement with its current auditors indemnifying them against any claims by third parties arising from their report on the financial report.

8.2. Insurance premiums

During the year the Company paid insurance premiums to insure directors and officers against certain liabilities arising out of their conduct while acting as an officer of the Group.



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Directors' report

9. Options

9.1. Unissued shares under option

At the date of this report, Ensurance Limited has the following unissued ordinary shares under option (unlisted):

Issuing Entity	Shares Under Option No.	Class of Shares	Exercise Price of Option \$	Expiry Date of Option
Kli Pty Ltd	1,000,000	Ordinary	0.120	31 July 2020
Transocean Securities Pty Ltd	1,321,429	Ordinary	0.092	31 July 2020
Kalonda Pty Ltd	250,000	Ordinary	0.092	31 July 2020
Portafortuna Pty Ltd	250,000	Ordinary	0.092	31 July 2020
Jalonex Investments Pty Ltd	1,178,571	Ordinary	0.092	31 July 2020
Transocean Securities Pty Ltd	1,948,465	Ordinary	0.080	31 July 2020
Kalonda Pty Ltd	1,250,000	Ordinary	0.080	31 July 2020
Portafortuna Pty Ltd	250,000	Ordinary	0.080	31 July 2020
Jalonex Investments Pty Ltd	2,648,849	Ordinary	0.080	31 July 2020
	10,097,314			

The holders of these options do not have the right, by virtue of the option, to participate in any share issue or interest issue of the Company. These options were issued subsequent to reporting date in connection with the Entitlement Offer Prospectus dated 6 June 2017 (9,097,314 options) and in connection with a short-term loan agreement (1,000,000 options).

9.2. Shares issued on exercise of options

No ordinary shares were issued by the Company as a result of the exercise of options during or since the end of the financial year.

10. Non-audit services

During the year, Mazars Risk and Assurance Pty Limited (**Mazars**) the Company's auditor, provided taxation compliance advice & assistance amounting to \$28,630 (2016: \$10,800). During the year, Buzzacott LLP (**Buzzacott**), the Company's auditor in the UK also provided taxation, payroll and compliance advice amounting to \$32,836 (2016: nil). Details of remuneration paid to the auditor can be found within the financial statements at Note 6 - Auditor's Remuneration.

The Board has established certain procedures to ensure that the provision of non-audit services are compatible with, and do not compromise, the auditor independence requirements of the Corporations Act 2001 (Cth). These procedures include:

- non-audit services will be subject to the corporate governance procedures adopted by the Company and will be reviewed by the Board to ensure they do not impact the integrity and objectivity of the auditor; and
- ensuring non-audit services do not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

The Directors are satisfied that the provision of non-audit services during the year by the auditor (or by another person or firm on the auditor's behalf) is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001 (Cth).

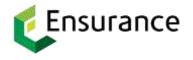
11. Proceedings on behalf of company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

12. Auditor's independence declaration

The auditor's independence declaration under section 307C of the *Corporations Act 2001* (Cth) for the year ended 30 June 2017 has been received and can be found on page 16 of the annual report.



DIRECTORS' REPORT

13. Remuneration report (audited)

The information in this remuneration report has been audited as required by s308(3C) of the Corporations Act 2001.

13.1. Key management personnel (KMP)

KMP have authority and responsibility for planning, directing and controlling the activities of the Group. KMP comprise the directors of the Company and key executive personnel:

Mr Adam Davey Chairman

Mr Stefan Hicks
Managing Director

Mr Brett Graves Executive Director, Chief Operating Officer

Mr Neil Pinner Non-Executive DirectorMr Grant Priest Non-Executive Director

Mr Michael Huntly CEO of Ensurance Underwriting

Mr Peter Fielding COO of Ensurance IT

Mr Tim James CEO of Ensurance UK (Appointed 1 December 2016)

Mr Sam Hallab Chief Financial Officer & Company Secretary

13.2. Principles used to determine the nature and amount of remuneration

The remuneration policy of the Company has been designed to ensure reward for performance is competitive and appropriate to the result delivered. The framework aligns executive reward with the creation of value for shareholders, and conforms to market best practice. The Board ensures that Director and executive reward satisfies the following key criteria for good reward governance practices:

- Competitiveness and reasonableness;
- Acceptability to the shareholders;
- Performance;
- Transparency; and
- Capital management.

The remuneration policy has been tailored to increase the direct positive relationship between shareholders' investment objectives and Directors' and Executives' performance. Currently, this is facilitated through the issues of options to the majority of Directors and Executives to encourage the alignment of personal and shareholder interests. The Company believes this policy will be effective in increasing shareholder wealth. The Board's policy for determining the nature and amount of remuneration for Board members and Senior Executive of the Company is as follows:

a. Executive Directors and other Senior Executives

Executives receive a base salary (which is based on factors such as length of service and experience), retirement benefits, options and performance incentives. The Board reviews Executive packages annually by reference to the Company's performance, executive performance, and comparable information from industry sectors and other listed companies in similar industries. Executives are also entitled to participate in the employee share and option arrangement.

b. Non-Executive Directors

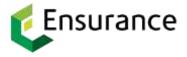
The Company's Constitution provides that Directors are entitled to be remunerated for their services as follows:

- The total aggregate fixed sum per annum to be paid to the Directors (excluding salaries of executive Directors) from time to time will not exceed the sum determined by the Shareholders in general meeting and the total aggregate-fixed sum will be divided between the Directors as the Directors shall determine and, in default of agreement between them, then in equal shares.
- The Directors' remuneration accrues from day to day.
- The total aggregate fixed sum per annum which may be paid to non-executive Directors is \$250,000. This amount cannot be increased without the approval of the Company's Shareholders.

The Directors are entitled to be paid reasonable travelling, accommodation and other expenses incurred by them respectively in or about the performance of their duties as Directors.

c. Fixed Remuneration

Other than statutory superannuation contributions, no retirement benefits are provided for Executive and Non-Executive Directors of the Company. To align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the company.



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DIRECTORS' REPORT

13. Remuneration report (audited)

d. Performance Based Remuneration – Short-term and long-term incentive structure

The Board will review short-term and long-term incentive structures from time to time. Any incentive structure will be aligned with shareholders' interests.

Short-term incentives

No short-term incentives in the form of cash bonuses were granted during the year.

Long-term incentives

The Board has a policy of granting incentive options to executives with exercise prices above market share price. As such, incentive options granted to executives will generally only be of benefit if the executives perform to the level whereby the value of the Group increases sufficiently to warrant exercising the incentive options granted.

The directors of the Company are not eligible to participate in the "Ensurance Limited Employee Incentive Option Plan".

e. Service Contracts

Remuneration and other terms of employment for the directors, KMP and the company secretary are formalised in contracts of employment.

f. Engagement of Remuneration Consultants

During the financial year, the Company did not engage any remuneration consultants.

g. Relationship between Remuneration of KMP and Earnings

The Board does not consider earnings in determining the nature and amount of remuneration of KMP.

13.3. Remuneration Details for the Year Ended 30 June 2017

Details of the remuneration of the key management personnel are set out in the following table:-

2017									
Group Key Management	Short-term benefits				Post- employment	Long-term benefits	Equity-settled share- based payments		Total
Person		Profit share and bonuses \$	Non- monetary \$	Other \$	benefits Super- annuation \$	Other \$	Equity \$	Options / Rights \$	\$
Adam Davey	100,000	-	-	-	9,500	-	-	-	109,500
Stefan Hicks	419,371	-	1,852	-	42,600	-	-	-	463,823
Brett Graves	195,183	-	7,031	-	18,542	-	-	-	220,756
Grant Priest	54,750	-	-	-	-	-	-	-	54,750
Neil Pinner	50,000	-	-	-	4,750	-	-	-	54,750
Michael Huntly	238,108	-	-	-	22,620	-	-	-	260,728
Peter Fielding	194,110	-	-	-	16,258	-	-	-	210,368
Tim James	177,904	-	-	-	3,812	-	-	-	181,716
Sam Hallab	227,236	-	19,523	-	23,879	-	-	-	270,638
	1,656,662	-	28,406	-	141,961	-	-	-	1,827,029



Directors' report

13. Remuneration report (audited)

2016 Group Key Management Person	Short-term benefits				Post- employment benefits	Long-term benefits	Equity-settled share- based payments		Total
reisuii		Profit share and bonuses	Non- monetary ⁽²⁾ \$	Other ⁽¹⁾	Super- annuation	Other \$	Equity \$	Options/ Rights	\$
	 		,	\$		Ş.		\$	
Adam Davey	88,333	-	-	-	8,392	-	-	5,468	102,193
Stefan Hicks	278,502	-	40,216	-	26,458	-	-	2,554	347,730
Brett Graves	190,719	-	11,216	-	18,118	-	-	638	220,691
Grant Priest	45,625	-	-	-	-	-	-	160	45,785
Neil Pinner	39,838	-	-	-	3,785	-	-	160	43,783
Michael Huntly	179,481	10,000	-	-	18,001	-	-	-	207,482
Peter Fielding	186,218	-	-	-	15,466	-	-	-	201,684
Sam Hallab	12,692	-	-	-	1,206	-	-	-	13,898
	1,026,408	10,000	51,432	-	91,901	-	-	8,980	1,188,721

13.4. Service Agreements

a. Non-Executive Director appointment letter with Adam Davey

The Company appointed Mr Adam Davey as non-executive Chairman, on standard terms for agreements of this nature, under which he is be entitled to director fees of \$100,000 per annum, plus superannuation.

b. Executive services contract (ESC) with Stefan Hicks

The Company has entered into an executive services contract with Mr Stefan Hicks on the following terms:

- Mr Hicks is employed by the Company as the Managing Director under an ESC that commenced 5 May 2015.
- The gross annual remuneration package (including superannuation) increased to \$500,000 per annum, from August 2016, to cover relocation expenses to the United Kingdom.
- Should Mr Hicks hold any office or directorship with any other Group company, he will not be entitled to any additional remuneration in respect of those appointments.
- The remuneration will be reviewed by the Board annually in accordance with the Company's policies and procedures.
- The ESC may be terminated by either party by providing six months' notice.

c. Executive services contract (ESC) with Director Brett Graves

The Company has entered into an ESC with Mr Brett Graves on the following terms:

- \cline{L} Mr Graves is employed by the Company as an Executive Director under an ESC that commenced 5 May 2015.
- The gross annual remuneration package (including superannuation) is \$220,000 per annum, payable in fortnightly instalments;
- Should Mr Graves hold any office or directorship with any other Group company, he will not be entitled to any additional remuneration in respect of those appointments.
- The remuneration will be reviewed by the Board annually in accordance with the Company's policies and procedures.
- The ESC may be terminated by either party by providing six months' notice.

d. Non-Executive Director appointment letter with Neil Pinner

The Company appointed Mr Neil Pinner as non-executive director, on standard terms for agreements of this nature, under which he is be entitled to director fees of \$50,000 per annum, plus superannuation.



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Directors' report

13. Remuneration report (audited)

e. Non-Executive Director appointment letter with Grant Priest

The Company appointed Mr Grant Priest as non-executive director, on standard terms for agreements of this nature, under which he is be entitled to director fees of \$50,000 per annum, plus superannuation.

13.5. Share-based compensation

a. Securities Received that are not performance-related

No members of KMP are entitled to receive securities that are not performance-based as part of their remuneration package.

b. Options and Rights Granted as Remuneration

As referred to in Note 26 'Share-based payments' and paragraph 13.6.c of this Remuneration Report, on 30 November 2015, 6,500,000 Performance Rights Class A (Note 26a.i) and 500,000 Performance Rights Class B (Note 26a.ii) were issued to Directors of the Company. There were no share-based compensation granted to the Directors during the year ended 30 June 2017.

There were no equity instruments issued during the year to Directors as result of performance rights converting or options being exercised that had previously been granted as compensation.

13.6. Key Management Personnel equity holdings

a. Fully paid ordinary shares of Ensurance Limited held by each Key Management Person

2017 Group Key Management Person	Balance at start of year No.	Received during the year as compensation No.	Received during the year on the exercise of options No.	Other changes during the year No.	Balance at end of year No.
Adam Davey (1) (2) (4)	4,520,000	-	-	84,090	4,604,090
Stefan Hicks (3)(4)	25,930,006	-	-	-	25,930,006
Brett Graves (2)	2,894,994	-	-	1,315,905	4,210,899
Grant Priest (2) (4)	50,000	-	-	22,725	72,725
Neil Pinner (2)	527,500	-	-	230,681	758,181
Michael Huntly (2)	1,222,861			590,957	1,813,818
Peter Fielding	-	-	-	-	-
Tim James	-	-	-	-	-
Sam Hallab		-	-	-	-
	35,145,361	-	-	2,244,358	37,389,719

⁽¹⁾ Mr Davey's shares include 4,000,000 partly-paid ordinary shares held by Mr Davey and his related parties.



⁽²⁾ Other changes during the year represent the number of shares issued under the Entitlement Issue Prospectus dated 6 June 2017.

⁽³⁾ Mr Hicks did not take up his entitlement under the Entitlement Issue Prospectus dated 6 June 2017.

⁽⁴⁾ During the year these Directors subscribed to the Company's Convertible Notes issue. Upon conversion (subject to shareholder approval), shareholdings will increase as follows: Stefan Hicks: 6,250,000; Adam Davey: 2,500,000; Grant Priest: 250,000 (see 13.6 (d)).

Directors' report

13. Remuneration report (audited)

2016 Group Key Management Person	Balance at start of year No.	Received during the year as compensation No.	Received during the year on the exercise of options No.	Other changes during the year No.	Balance at end of year No.
Adam Davey ⁽¹⁾	4,520,000	-	-	-	4,520,000
Stefan Hicks ⁽²⁾	25,980,006	-	-	(50,000)	25,930,006
Brett Graves	2,894,994	-	-	-	2,894,994
Grant Priest ⁽³⁾	50,000	-	-	-	50,000
Neil Pinner	527,500	-	-	-	527,500
Brian Thomas ⁽⁴⁾	30,001	-	-	(30,001)	-
Michael Huntly	1,250,000			(27,139)	1,222,861
Peter Fielding	-			-	-
Sam Hallab	-			-	-
	35,252,501	-	-	(107,140)	35,145,361

⁽¹⁾ Mr Davey's shares include 4,000,000 partly-paid ordinary shares held by Mr Davey and his related parties.

b. Options in Ensurance Limited held by each Key Management Person

2017 – Group Group Key Management Person	Balance at start of year No.	Granted as Remuneration during the year No.	Exercised during the year No.	Other changes during the year No.	Balance at end of year No.	Vested and Exercisable No.	Not Vested No.
Adam Davey (1)	250,000	-	-	(250,000)	-	-	-
Stefan Hicks	-	-	-	-	-	-	-
Brett Graves	-	-	-	-	-	-	-
Grant Priest	-	-	-	-	-	-	-
Neil Pinner	-	-	-	-	-	-	-
Michael Huntly	-	-	-	-	-	-	-
Peter Fielding	-	-	-	-	-	-	-
Tim James	-	-	-	-	-	-	-
Sam Hallab	-	-	-	-	-	-	-
(1)	250,000	-	-	(250,000)	-	-	-

 $^{^{\}left(1\right)}$ $\,$ Other changes during the year relate to options that expired during the year.

2016 – Group Group Key Management Person	Balance at start of year No.	Granted during the year No.	Exercised during the year No.	Other changes during the year No.	Balance at end of year No.	Vested and Exercisable No.	Not Vested No.
Adam Davey	250,000	-	-	-	250,000	-	250,000
Stefan Hicks	-	-	-	-	-	-	-
Brett Graves	-	-	-	-	-	-	-
Grant Priest	-	-	-	-	-	-	-
Neil Pinner	-	-	-	-	-	-	-
Michael Huntly	-	-	-	-	-	-	-
_	250,000	-	-	-	250,000	-	250,000



⁽²⁾ Mr Hicks' change relates to a change in control of the holder of the shares.

⁽³⁾ Balance at the start of the year represents Mr Priest's existing relevant interests at the time of becoming a director.

⁽⁴⁾ Other changes during the year relate to the number of shares held at the time of ceasing to be a director.

Directors' report

30 June 2017

13. Remuneration report (audited)

c. Performance Rights of Ensurance Limited held by each Key Management Person

2017 – Group		Granted as				
Group Key Management Person	Balance at start of year No.	Remuneration during the year No.	Other changes during the year No.	Balance at end of year No.	Vested and Exercisable No.	Not Vested No.
Adam Davey	1,500,000		-	1,500,000	-	1,500,000
Stefan Hicks	4,000,000		-	4,000,000	-	4,000,000
Brett Graves	1,000,000		-	1,000,000	-	1,000,000
Grant Priest	250,000		-	250,000	-	250,000
Neil Pinner	250,000		-	250,000	-	250,000
Michael Huntly	-		-	-	-	-
Peter Fielding	-		-	-	-	-
Tim James	-		-	-	-	-
Sam Hallab	-		-	-	-	-
	7,000,000		-	7,000,000	-	7,000,000

2016 – Group		Granted as				
Group Key Management Person	Balance at start of year No.	Remuneration during the year No.	Other changes during the year No.	Balance at end of year No.	Vested and Exercisable No.	Not Vested No.
Adam Davey	-	1,500,000	-	1,500,000	-	1,500,000
Stefan Hicks	-	4,000,000	-	4,000,000	-	4,000,000
Brett Graves	-	1,000,000	-	1,000,000	-	1,000,000
Grant Priest	-	250,000	-	250,000	-	250,000
Neil Pinner	-	250,000	-	250,000	-	250,000
Brian Thomas	-	-	-	-	-	-
Michael Huntly	-	-	-	-	-	-
Peter Fielding	-	-	-	-	-	-
Sam Hallab	-	-	-	-	-	-
	-	7,000,000	-	7,000,000	-	7,000,000

d. Converting loans in Ensurance Limited held by each Key Management Person

2017 Group Key Management Person – Converting Loans	Balance at start of year No.	Subscribed during the year No.	Balance at end of year No.
Adam Davey	-	2,500,000	2,500,000
Stefan Hicks	-	6,250,000	6,250,000
Grant Priest	-	250,000	250,000
	-	9,000,000	9,000,000

During the year these Directors subscribed to the Company's Convertible Notes issue. Conversion is subject to shareholder approval and until such point are classified as Converting Loans. Upon conversion, respective shareholdings will increase by the number of shares detailed above.



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13.7. Other Equity-related KMP Transactions

There have been no other transactions involving equity instruments other than those described in the tables above relating to options, rights, converting loans and shareholdings.

13.8. Loans to Key Management Personnel

The Group currently has a loan payable to Mr Hicks of \$2,485 as at 30 June 2017 (2016: \$2,485). The Group also has a loan payable to Mr Graves of \$94,728 plus accrued interest of \$12,164 as at 30 June 2017 (2016: nil).

13.9. Other transactions with Key Management Personnel and or their Related Parties

There have been no other transactions involving equity instruments other than those described in the tables above. For details of other transactions with KMP, refer Note 24 Related party transactions.

END OF REMUNERATION REPORT

This Report of the Directors, incorporating the Remuneration Report, is signed in accordance with a resolution of directors made pursuant to s.298(2) of the *Corporations Act 2001* (Cth).

ADAM DAVEY

Chairman

Dated this Friday, 29 September 2017





AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF ENSURANCE LIMITED AND ITS CONTROLLED ENTITIES

I declare that, to the best of my knowledge and belief during the year ended 30 June 2017, there have been:

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

MAZARS RISK & ASSURANCE PTY LIMITED

R. Megale

Director

Dated in Sydney this 29th day of September 2017.

R. Megall



30 June 2017

Consolidated statement of profit or loss and other comprehensive income

for the year ended 30 June 2017

	Note	2017 \$	2016 \$
Continuing operations			
Revenue	4	3,218,892	3,033,103
Other income	4	6,000	679,195
		3,224,892	3,712,298
Business development		(616,112)	(603,698)
Compliance costs		(351,963)	(177,559)
Computers and communications		(782,300)	(327,478)
Depreciation and amortisation	5	(436,542)	(448,778)
Employment costs	5	(5,198,309)	(3,300,569)
Finance costs		(372,981)	(18,242)
Legal and consulting fees		(75,235)	(73,683)
Occupancy costs		(372,193)	(274,707)
Share-based payments	26	-	(8,980)
Travel and accommodation		(240,336)	(140,677)
Other expenses		(214,228)	(187,338)
Loss before tax		(5,435,317)	(1,849,411)
Income tax benefit	7	342,285	71,981
Net loss for the year		(5,093,032)	(1,777,430)
Other comprehensive income, net of income tax			
Items that will not be reclassified subsequently to profit or loss:			
Revaluation of assets		1,801	11,729
Items that may be reclassified subsequently to profit or loss:		-	
Other comprehensive income for the year, net of tax		1,801	11,729
Total comprehensive income attributable to members of the parent entity		(5,091,231)	(1,765,701)
Profit/(loss) for the period attributable to:			
Non-controlling interest		-	-
Owners of the parent		(5,093,032)	(1,777,430)
Total comprehensive income/(loss) attributable to:			
Non-controlling interest		_	-
© Owners of the parent		(5,091,231)	(1,765,701)
		,	•
Earnings per share:		¢	¢
Basic and diluted loss per share (cents per share)	8	(6.13)	(3.11)

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the accompanying notes.



AND CONTROLLED ENTITIES
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Consolidated statement of financial position

as at 30 June 2017

	Note	2017	2016
		\$	\$
Current assets			
Cash and cash equivalents	9	569,873	389,645
Trade and other receivables	10	1,724,981	19,426
Trust account insurer assets	12	4,369,736	3,720,652
Other current assets	11	74,030	33,872
Total current assets		6,738,620	4,163,595
Non-current assets			
Financial assets	13	30,266	96,789
Plant and equipment	14	96,027	129,899
Intangible assets	15	1,934,645	1,768,131
Total non-current assets		2,060,938	1,994,819
Total assets		8,799,558	6,158,414
Current liabilities			
Trade and other payables	16	1,994,023	1,163,051
Trust account insurer liabilities	12	4,369,736	3,720,652
Provisions	18	374,950	233,114
Borrowings	17a	1,228,866	137,439
Total current liabilities		7,967,575	5,254,256
Non-current liabilities			
Provisions	18	57,833	62,092
Trade and other payables		25,453	-
Borrowings	17b	2,747,536	-
Total non-current liabilities		2,830,822	62,092
Total liabilities		10,798,397	5,316,348
Net (liabilities)/assets		(1,998,839)	842,066
Fruits			
Equity	40	7 240 755	C 007 05 4
Issued capital	19	7,210,755	6,097,054
Reserves	20	1,157,093	18,667
Accumulated losses		(10,366,687)	(5,273,655)
Total equity		(1,998,839)	842,066

 $The\ consolidated\ statement\ of\ financial\ position\ is\ to\ be\ read\ in\ conjunction\ with\ the\ accompanying\ notes.$



30 June 2017

Consolidated statement of changes in equity

for the year ended 30 June 2017

	Note	Issued Capital \$	Accumulated Losses \$	Share-based Payment Reserve \$	Share option reserve	Revaluation Reserve \$	Convertible note option premium reserve	Total \$
Balance at 1 July 2015		6,097,054	(3,496,225)	-	-	(2,042)	-	2,598,787
Loss for the year attributable owners of the parent		-	(1,777,430)	-	-	-	-	(1,777,430)
Other comprehensive income for the year attributable owners of the parent		-	<u>-</u>	_	-	11,729	-	11,729
Total comprehensive income for the year attributable owners of the parent		-	(1,777,430)	-	-	11,729	-	(1,765,701)
Transaction with owners, directly in equity								
Performance rights issued during the year		_	-	8,980	-	-	-	8,980
Balance at 30 June 2016		6,097,054	(5,273,655)	8,980	-	9,687	-	842,066
Balance at 1 July 2016		6,097,054	(5,273,655)	8,980	-	9,687	-	842,066
Loss for the year attributable owners of the parent		+	(5,093,032)	-	-	-	-	(5,093,032)
Other comprehensive income for the year attributable owners of the parent			_	_		1,801		1,801
Total comprehensive income for the year attributable owners of the parent		_	(5,093,032)			1,801		(5,091,231)
Transaction with owners, directly in equity			(5,055,052)			1,001		(3,031,231)
Issue of ordinary shares		2,077,851	-	-	-	-	-	2,077,851
Capital raising transaction costs		(964,150)	-	-	-	-	-	(964,150)
Share options granted	19c	-	-	-	838,242	-	-	838,242
Equity derivative issued	17b	-	-	-	-	-	298,383	298,383
Balance at 30 June 2017		7,210,755	(10,366,687)	8,980	838,242	11,488	298,383	(1,998,839)

The consolidated statement of changes in equity is to be read in conjunction with the accompanying notes.



30 June 2017

AND CONTROLLED ENTITIES

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Consolidated statement of cash flows

for the year ended 30 June 2017

Note	2017 \$	2016 \$
Cash flows from operating activities		
Receipts from customers	3,475,100	3,308,311
Interest received	23,428	43,093
Interest and borrowing costs paid	(176,279)	(18,242)
Payments to suppliers and employees	(7,056,695)	(4,554,980)
(Payments) / refund of income taxes	-	41,036
Net used in operating activities 9d.i	(3,734,446)	(1,180,782)
Cash flows from investing activities		
Proceeds from asset development grant funds	-	146,128
Payment for development of intangible assets	(533,265)	(952,958)
(Payment for) / proceeds from sale of financial assets	66,523	(4,000)
Purchase of plant and equipment	(25,918)	(65,867)
Net used in investing activities	(492,660)	(876,697)
Cash flows from financing activities		
Proceeds from share issue	457,507	-
Proceeds from convertible notes subscriptions	3,000,007	-
Net proceeds from borrowings	1,172,187	-
Convertible notes interest paid	(145,692)	-
Repayment of borrowings	(90,960)	(31,766)
Net cash provided by/(used in) financing activities	4,393,049	(31,766)
Net increase/(decrease) in cash held	165,943	(2,089,245)
Cash and cash equivalents at the beginning of the year	257,458	2,346,703
Cash and cash equivalents at the end of the year 9b	423,401	257,458

 $The \ consolidated \ statement \ of \ cash \ flows \ is \ to \ be \ read \ in \ conjunction \ with \ the \ accompanying \ notes.$



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Notes to the consolidated financial statements

for the Year Ended 30 June 2017

Note 1 Statement of significant accounting policies

These are the consolidated financial statements and notes of Ensurance Limited (Ensurance or the Company) and controlled entities (collectively the Group). Ensurance is a company limited by shares, domiciled and incorporated in Australia.

The separate financial statements of Ensurance, as the parent entity, have not been presented with this financial report as permitted by the *Corporations Act 2001* (Cth).

The financial statements were authorised for issue on 29 September 2017 by the directors of the Company.

a. Basis of preparation

The financial statements comprise the consolidated financial statements of the Group. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity. Material accounting policies adopted in the preparation of these financial statements are presented below. They have been consistently applied unless otherwise stated.

The consolidated financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. Historical cost is generally based on the fair values of the consideration given in exchange for goods and services.

i. Statement of compliance

These financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board (AAS Board) and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), and the Corporations Act 2001 (Cth).

Australian Accounting Standards (AASBs) set out accounting policies that the AAS Board has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with AASBs ensures that the financial statements and notes also comply with IFRS as issued by the IASB.

ii. 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 has incurred a net loss for the year of \$5,093,032 (2016: \$1,777,430). As at 30 June 2017, the Group had negative working capital of \$1,228,955 (2016: \$1,090,661), a net liability of \$1,998,839 (2016: \$842,066 net assets), and accumulated losses of \$10,366,687 (2016: \$5,273,655). The Group has had recurring operating losses and working capital deficiencies as a result of the delivery of new products and cashflow generating business units in accordance with the Group's strategic goals. The ability of the Group to continue as a going concern and pay their debts as and when they fall due is dependent upon a number of factors including:

- The Group's ability to raise additional funds through debt financing and capital raising arrangements such that they are sufficient enough to provide adequate working capital in line with forecasts; the group's ability to realise forecast revenue and expense targets, including an increase in revenue of 60% prior to taking into account the revenue of Ensurance UK Limited and 118% increase in revenue earned by Ensurance UK Limited. There is a forecast increase in expenses of 14% over the next 12 months;
- The ability of the Group's two AFSL holders Savill Hicks Corporation Pty Ltd and Ensurance Underwriting Pty Ltd to produce cash flows available to support the group in excess of the cash flow needs requirements established under their licence conditions. Cash flows generated by these entities required to meet cash flow need requirements including any cash flow buffers are not available to support Group cash flow needs. The AFSL licence holders represent two of the three operating companies and 100% of the revenue and 57% of the cash flow of the group on a historical basis.
- The continued support of its investors in supporting any further capital raising program.

The directors have forecast a year to date positive cash flow result for the year ending 12 months from the date of this report based upon the following key assumptions:

- Ensurance UK to generate \$1,892,600 revenue from the 51 signed up brokers
- The white label products revenue in Savill Hicks Pty Ltd will significantly increase
- Continued increase in revenue of Ensurance Underwriting Pty Ltd by 55%
- The Group's 2017 financial year loss was significantly contributed to (\$1.015m) by the establishment of Ensurance UK Limited in August 2016. During the year it has seen the delivery of a fully operational underwriting team, which commenced generating cashflow at the beginning of the 2017/18 financial year.



AND CONTROLLED ENTITIES
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Notes to the consolidated financial statements

for the Year Ended 30 June 2017

Note 1 Statement of significant accounting policies

The Group's 2017 financial year loss was contributed to through IT investment of \$1.376m (with an additional \$440k for white label set-up, wages and marketing) to enable the delivery of a key automated software platform providing 7 new products, including the integration of a major external third-party distribution lead generator.

Furthermore, the following agreements were signed subsequent to financial year-end to make available further working capital funds:

- The Group entered into an underwriting agreement on 27 September 2017 with Transocean Pty Limited in respect of its intention to undertake a placement program for eligible investors with a view to raising \$3,000,000 before capital raising cost.
- The Group entered into a loan agreement on 27 September 2017 with Kalonda Pty Ltd ATF Leibowitz Superannuation Fund to make available to the Group a cash advance facility on a progressive basis up to but not exceeding \$1,150,000, payable at the earliest of 3 months from the initial drawdown or the finalisation of the \$3,000,000 share placement plan

Having regard to the above, the Directors are confident that forecast results are realistic and achievable, and the anticipated capital raising program is sufficient to meet the ongoing working capital needs of the Group. On this basis, the Directors have determined that the going concern basis of preparation of the financial report remains appropriate. Should the forecast results not be realised and should the anticipated capital raising program generate insufficient working capital funds then there may be doubt as to the ability of the Group to continue as a going concern. In this instance, the Group may be unable to realise its assets or discharge its liabilities in the normal course of operations and at the amounts stated in the financial report.

iii. 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 statement have been referred to as the financial statements of Ensurance Ltd.

iv. Use of estimates and judgments

The preparation of consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. These estimates and associated assumptions are based on historical experience and various factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Judgements made by management in the application of AASBs that have significant effect on the consolidated financial statements and estimates with a significant risk of material adjustment in the next year are discussed in Note 1p.

v. Comparative figures

Where required by AASBs comparative figures have been adjusted to conform with changes in presentation for the current financial year.

Where the Group retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

b. Accounting Policies

The Group has consistently applied the following accounting policies to all periods presented in the financial statements. The Group has considered the implications of new and amended Accounting Standards applicable for annual reporting periods beginning after 1 July 2017 but determined that their application to the financial statements is either not relevant or not material.



Notes to the consolidated financial statements

for the Year Ended 30 June 2017

Note 1 Statement of significant accounting policies

c. Principles of consolidation

As at reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year then ended. Where controlled entities have entered (left) the Consolidated Group during the year, their operating results have been included (excluded) from the date control was obtained (ceased).

Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control exists when the Group is exposed to variable returns from another entity and has the ability to affect those returns through its power over the entity.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquire; plus
- 👢 if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree;

less

the net recognised amount of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

ii. Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

A list of controlled entities is contained in Note 21 Controlled Entities of the financial statements.

iii. Transactions eliminated on consolidation

All intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

d. Foreign currency transactions and balances

Functional and presentation currency

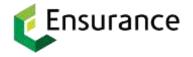
The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

ii. Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the profit or loss except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the gain or loss is directly recognised in other comprehensive income, otherwise the exchange difference is recognised in the profit or loss.



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Note 1 Statement of significant accounting policies

iii. Group companies and foreign operations

The financial results and position of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- income and expenses are translated at average exchange rates for the period; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the Group's foreign currency translation reserve in the statement of financial position. These differences are recognised in the profit or loss in the period in which the operation is disposed.

e. Taxation

i. Income tax

The income tax expense/(benefit) for the year comprises current income tax expense/(benefit) and deferred tax expense/(benefit).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (benefit) is charged or credited outside profit or loss when the tax relates to items recognised outside profit or loss.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

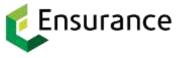
Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Where the Group receives the Australian Government's Research and Development Tax Incentive, the Group accounts for the refundable tax offset under AASB 112. Funds are received as a rebate through the parent company's income tax return and disclosed as such in Note 7 Income Tax.

ii. Tax consolidation

The Board of Ensurance Ltd has entered into the Tax Consolidation Regime from 1 July 2015. This will include the preparation and signing of a Tax Sharing and Funding Agreement. Ensurance Limited is the head entity in the newly formed tax consolidated group. As a consequence, the entities are taxed as a single entity and the deferred tax assets and liabilities of these entities are set off in the consolidated financial statements.

Under the tax funding agreement, the members of the Group are required to contribute to the head entity for their



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Note 1 Statement of significant accounting policies

current tax liabilities. The assets and liabilities arising under the tax funding agreements are recognised as intercompany assets and liabilities at call. Members of the tax consolidated group via the tax sharing agreement may be called to provide for the income tax liabilities between the entities should the head entity default on its tax payment obligations. No amount has been recognised in respect of this component of the agreement as the outcome is considered remote.

iii. Goods and Services Tax (GST) and Value Added Tax (VAT)

Revenues, expenses, and assets are recognised net of the amount of GST/VAT, except where the amount of GST/VAT incurred is not recoverable from the taxation authority. In these circumstances the GST/VAT is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST/VAT.

The net amount of GST/VAT recoverable from, or payable to, the Australian Taxation Office in Australia or HM Revenue & Customs in the UK is included as a current asset or liability in the balance sheet.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST/VAT component of investing and financing activities, which are disclosed as operating cash flows.

f. Fair Value

i. Fair Value of Assets and Liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable AASB.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly unforced transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

ii. Fair value hierarchy

AASB 13 Fair Value Measurement requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1	Level 2	Level 3
Measurements based on quoted prices	Measurements based on inputs other	Measurements based on unobservable
(unadjusted) in active markets for	than quoted prices included in Level 1	inputs for the asset or liability.
identical assets or liabilities that the	that are observable for the asset or	
entity can access at the measurement	liability, either directly or indirectly.	
date.		

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.



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iii. Valuation techniques

The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Group are consistent with one or more of the following valuation approaches:

- Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

g. Plant and equipment

i. Recognition and measurement

Items of plant and equipment are measured on the cost basis and carried at cost less accumulated depreciation (see below) and impairment losses (see Note 1i Impairment of non-financial assets).

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads.

The carrying amount of plant and equipment is reviewed annually by 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 assets employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

Where parts of an item of plant and equipment have different useful lives, they are accounted for as separate items of plant and equipment.

ii. Subsequent costs

The cost of replacing part of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. Any costs of the day-to-day servicing of plant and equipment are recognised in the income statement as an expense as incurred.

iii. Depreciation

Depreciation is charged to the income statement on a straight-line basis over the asset's useful life to the consolidated group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

Depreciation rates and methods are reviewed annually for appropriateness. The depreciation rates used for the current and comparative period are:

1	Fixtures.	furniture.	and equipment	
Degree	rixtures,	iuiiiiiuie,	and equipment	

Plant and equipment

2017	2016
%	%
11.25 – 37.50	11.25 – 37.50
25.00 – 37.50	25.00 – 37.50



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Note 1 Statement of significant accounting policies

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal of an item of plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of plant and equipment and are recognised net within "other income" in profit or loss.

h. Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, other than deferred tax assets (see Note 1e) 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.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in the income statement, unless the asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through the income statement. Impairment losses recognised in respect of cash-generating units 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 on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

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 and amortisation, if no impairment loss had been recognised.

i. Financial instruments

i. Initial recognition and measurement

A financial instrument is recognised if the Group becomes party to the contractual provisions of the instrument. Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Financial liabilities are derecognised if the Group's obligations specified on the contract expire or are discharged or cancelled.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

ii. Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity securities, trade and other receivables, cash and cash equivalents and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transactions costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

iii. Classification and Subsequent Measurement

(1) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of nine months or less, and bank overdrafts. Bank overdrafts are shown within short-borrowings in current liabilities on the Statement of financial position.



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(2) Loans

Loans are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period.

(3) Trade and other receivables

Receivables are usually settled within 60 days. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Collectability of trade and other receivables are reviewed on an ongoing basis. An impairment loss is recognised for debts which are known to be uncollectible. An impairment provision is raised for any doubtful amounts (see Note 1j.vii).

(4) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid and stated at their amortised cost. The amounts are unsecured and are generally settled on 30 day terms.

(5) Share capital

Ordinary issued capital is recorded at the consideration received. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any related income tax benefit. Ordinary issued capital bears no special terms or conditions affecting income or capital entitlements of the shareholders.

iv. Amortised cost

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

v. Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

vi. Effective interest method

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) over the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

vii. Impairment

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

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 original effective interest rate.

Financial assets are tested for impairment on an individual basis.

All impairment losses are recognised in the income statement.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost the reversal is recognised in the income statement.



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Note 1 Statement of significant accounting policies

viii. Derecognition

Financial assets are derecognised where the contractual rights to cash flow expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

ix. Finance income and expenses

Finance income comprises interest income on funds invested (including available-for-sale financial assets), gains on the disposal of available-for-sale financial assets and changes in the fair value of financial assets at fair value through profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Financial expenses comprise interest expense on borrowings calculated using the effective interest method, unwinding of discounts on provisions, changes in the fair value of financial assets at fair value through profit or loss and impairment losses recognised on financial assets. All borrowing costs are recognised in profit or loss using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in income in the period in which they are incurred.

Foreign currency gains and losses are reported on a net basis.

Employee benefits

i. Short-term benefits

Liabilities for employee benefits for wages, salaries and annual leave that are expected to be settled within 12 months of the reporting date represent present obligations resulting from employees' services provided to the reporting date and are calculated at undiscounted amounts based on remuneration wage and salary rates that the Group expects to pay at the reporting date including related on-costs, such as workers compensation insurance and payroll tax.

Non-accumulating non-monetary benefits, such as medical care, housing, cars and free or subsidised goods and services, are expensed based on the net marginal cost to the Group as the benefits are taken by the employees.

ii. Other long-term benefits

The Group's obligation in respect of long-term employee benefits other than defined benefit plans is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related on-costs; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted.

iii. Retirement benefit obligations: Defined contribution superannuation funds

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions onto a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution superannuation funds are recognised as an expense in the income statement as incurred.

iv. Termination benefits

When applicable, the Group recognises a liability and expense for termination benefits at the earlier of: (a) the date when the Group can no longer withdraw the offer for termination benefits; and (b) when the Group recognises costs for restructuring pursuant to AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* and the costs include termination benefits. In either case, unless the number of employees affected is known, the obligation for termination benefits is measured on the basis of the number of employees expected to be affected. Termination benefits that are expected to be settled wholly before 12 months after the annual reporting period in which the benefits are recognised are measured at the (undiscounted) amounts expected to be paid. All other termination benefits are accounted for on the same basis as other long-term employee benefits.



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v. Equity-settled compensation

The Group operates an employee share option plan. The fair value of options granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. The fair value of the options granted is measured using the Black-Scholes pricing model, taking into account the terms and conditions upon which the options were granted. The amount recognised is adjusted to reflect the actual number of share options that vest except where forfeiture is only due to market conditions not being met.

k. Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will results and that outflow can be reliably measured.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, when appropriate, the risks specific to the liability.

l. Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to entities in the Group are classified as finance leases.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the Group will obtain ownership of the asset or over the term of the lease.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised in the income statement on a straight-line basis over the term of the lease.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

m. Revenue and other income

Interest revenue is recognised in accordance with Note 1j.ix Finance income and expenses.

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. When the inflow of consideration is deferred, it is treated as the provision of financing and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

All revenue is stated net of the amount of GST/VAT (Note 1e.iii Goods and Services Tax (GST) and Value Added Tax (VAT)).

n. Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' results are regularly reviewed by the Group's Managing Director to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

o. Critical Accounting Estimates and Judgments

Management discusses with the Board the development, selection and disclosure of the Group's critical accounting policies and estimates and the application of these policies and estimates. The estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

i. Key Estimate – Taxation

Balances disclosed in the financial statements and the notes thereto, related to taxation, are based on the best estimates of directors. These estimates take into account both the financial performance and position of the company as they pertain to current income taxation legislation, and the directors understanding thereof. No adjustment has been made for pending or future taxation legislation. The current income tax position represents the directors' best estimate, pending an assessment by tax authorities in relevant jurisdictions. Refer Note 7 Income Tax.



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ii. Key Estimate —Impairment

(1) Legal Parent Financial Assets related to Subsidiaries

At the end of each financial year, an assessment is made on whether there are indicators that the Company's investments in subsidiaries and loans to subsidiaries are impaired. Where necessary, the Company's assessments are based on the estimation of the value-in-use of the assets defined in AASB 136 Impairment of Assets by forecasting the expected future cash flows for a period of up to 5 years, using a suitable discount rate in order to calculate the present value of those cash flows. The Company's carrying amount of investments in subsidiaries as at 30 June 2017 was \$nil (2016: \$nil), and loans \$212,025 (2016: \$714,423) after an impairment loss of \$4,550,809 was recognised in 2017 (2016: \$9,029,808). The impairment losses have been included in the parent Company's results for the year. Details of the impairment loss calculation are set out in Note 30.

In determining whether an impairment exists, management assumes that a subsidiary will only be able to repay its loans to the extent it has positive net assets. It is also assumed that the Company's legal subsidiaries have no realisable value as standalone entities and so the shares it owns in them must be fully impaired. It is assumed that loans with each subsidiary are interchangeable and so the extent of any impairment on loans is limited to the amount of the net deficiency of the sub-group. A further net deficiency in the sub-group of 5% would see all loans fully impaired, resulting in an impairment loss of \$4,649,428 in the year. However, a 5% decrease in the deficiency would see a reversal of the impairment of \$303k.

(2) Intangible Assets

The Company assesses impairment of intangible assets at each reporting date by evaluating conditions specific to the Company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. The Company used the income approach in determining the fair value which reflects the current market expectations about future amounts that will be generated by the intangible assets. This involves employing present value techniques that are dependent on the circumstances specific to the intangible asset and the availability of sufficient data. No impairment loss was recognised during the financial year. The carrying amount of the intangible assets as at 30 June 2017 was \$1,934,645 (2016: \$1,768,131) (Note 15).

The value in use was determined by discounting the future cashflow generated from premium contracts and are based on the following assumptions:

- Budgets were projected based on actual operating results over a projected 8-year period
- Revenue projections for year 2018 2025 were based on Ensurance UK Limited generating \$1,892,600
 revenue from the 51 signed up brokers; the white label products revenue in Savill Hicks Corporation Pty
 Ltd significantly increasing and continued increase of revenue in Ensurance Underwriting Pty Ltd by
 55%
- FY 2018 and FY 2019 growth rate without the use of the IT system are 86% and 68%, respectively. The succeeding future years of the model use a constant 10%; and
- A pre-tax discount of 25% based on weighted average cost of capital.

A sensitivity analysis was performed when making the impairment assessment. If projected revenue generated from use of the asset were decreased by 10%, the notional value of the software decreases by \$925k. If projected revenue were decreased by 20%, the notional value of the software decreases by \$1.85m. However, in both cases the revised notional value of the software remains higher than its carrying amount and thus no impairment need be recorded.

iii. Key Estimate —Intangible assets and amortisation

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.



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Research costs are expensed in the period in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the consolidated entity is able to use or sell the asset; the consolidated entity has sufficient resources; and intent to complete the development and its costs can be measured reliably. Capitalised development costs are amortised on a straight-line basis over the period of their expected benefit, being their finite life of eight years.

Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of eight years.

p. Amendments to AASBs and the new Interpretations that are mandatorily effective for the current period

The accounting policies adopted are consistent with those of the previous financial years except the following which the Group adopted from 1 July 2016:

- 👢 AASB 2016-3 Amendments to Australian Accounting Standards arising from Withdrawal of AASB 1031 Materiality
- AASB 2014-4 Amendments to Australian Accounting Standards Clarification of Acceptable Methods of Depreciation & Amortisation
- AASB 2015-1 Amendments to Australian Accounting Standards Annual Improvements to Australian Accounting Standards 2012-2014 Cycle
- 🚨 AASB 2015-2 Amendments to Australian Accounting Standards Disclosure Initiative: Amendments to AASB 101

The adoption of this standard did not have any impact on the current period or any prior period and is not likely to affect future periods.

q. New Accounting Standards and Interpretations applicable from 1 July 2016 not yet mandatory or early adopted

A number of new standards, amendments to standards and interpretations issued by the AASB which are not yet mandatorily applicable to the Group have not been applied in preparing these financial statements. Those which may be relevant to the Group are set out below. The Group does not plan to adopt these standards early.

i. AASB 9 Financial Instruments and associated Amending Standards (applicable for annual reporting period commencing on or after 1 January 2018)

The Standard will be applicable retrospectively (subject to the comment on hedge accounting below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

Key changes made to this standard that may affect the Group on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income.

The Directors anticipate that the adoption of AASB 9 will not have a material impact on the Group's financial instruments.

ii. AASB 15 Revenue from Contracts with Customers (applicable to annual reporting periods commencing on or after 1 January 2018).

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- (1) Identify the contract(s) with a customer;
- (2) Identify the performance obligations in the contract(s);
- (3) Determine the transaction price;
- (4) Allocate the transaction price to the performance obligations in the contract(s); and
- (5) Recognise revenue when (or as) the performance obligations are satisfied.

This Standard will require retrospective restatement, as well as enhanced disclosures regarding revenue.



30 June 2017

Notes to the consolidated financial statements

for the Year Ended 30 June 2017

Note 1 Statement of significant accounting policies

The Directors anticipate that the adoption of AASB 15 will not have a material impact on the Group's revenue recognition and disclosures.

iii. AASB 16: Leases (applicable to annual reporting periods commencing on or after 1 January 2019).

AASB 16 removes the classification of leases as either operating leases or finance leases for the lessee effectively treating all leases as finance leases. Short term leases (less than 12 months) and leases of a low value are exempt from the lease accounting requirements. Lessor accounting remains similar to current practice.

The Directors anticipate that the adoption of AASB 16 will require representing the Group's rental leases in Sydney, Melbourne and London as finance leases, with applicable accounting treatment applied. There will also be some minor adjustments for representing operating leases over office equipment, but given the scale and nature of these amendments the Directors believe that the adoption of AASB 16 will not have a material impact on the Group's recognition of leases and disclosures.

iv. AASB 2016-1: Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses (applicable to annual reporting periods commencing on or after 1 January 2017).

AASB 2016-1 clarifies the issues regarding recognition and measurement of deferred tax assets on fixed rate debt investments. Where the fair value on a fixed rate debt investment to be held to maturity has decreased because of an increase in market interest rates, deferred tax assets must be recognised for the deductible temporary difference between the fair value and tax base, even though the investment is not deemed to be impaired.

The Directors anticipate that the adoption of AASB 2016-1 will not have a material impact on the Group's recognition of deferred tax assets.

v. AASB 2017-4: Amendments to Australian Accounting Standards – Uncertainty over Income Tax Treatments (applicable to annual reporting periods commencing on or after 1 January 2019).

AASB 2017-4 amends AASB 1 to clarify that a first-time adopter whose date of transition to Australian Accounting Standards is before 1 July 2017 may elect not to reflect the application of AASB Interpretation 23, as identified in AASB 1048 Interpretation of Standards, in comparative information in its first financial statements prepared in accordance with Australian Accounting Standards.

The Directors anticipate that the adoption of AASB 2017-4 will not have a material impact on the Group's presentation of its financial statements.

vi. Other standards not yet applicable

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions



ANNUAL REPORT

30 June 2017

ENSURANCE LIMITED

AND CONTROLLED ENTITIES
ABN 80 148 142 634

Note 2 Registered Office and Principal Place of Business

Milsons Point NSW 2061

Milsons Point NSW 1565

The registered office of the Company is: The principal place of business of the Company is:

Address: Address:

Street: Level 2/2 Glen St Street: Level 2/2 Glen St

Milsons Point NSW 2061

Postal: PO Box 523 Postal: PO Box 523

Milsons Point NSW 1565

Telephone: +61 (0)2 9806 2000 Telephone: +61 (0)2 9806 2000

Facsimile: +61 (0)2 9806 2099 Facsimile: +61 (0)2 9806 2099

Note 3 Other Business Locations

Melbourne: 4/400 Canterbury Road

Surrey Hills VIC 3127

Telephone: +61 1300 794 079

London: Level 12, 6 Bevis Marks

London, EC3A 7BA, United Kingdom

Telephone: +44 (0)20 3786 1035

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Notes to the consolidated financial statements

for the year ended 30 June 2017

Note 4 Revenue and other income	2017 \$	2016 \$
a. Revenue		· · · · · · · · · · · · · · · · · · ·
Sales revenue	3,168,931	2,881,038
Interest	23,428	43,093
Other	26,533	108,972
	3,218,892	3,033,103
h. Other Learner		· ·
b. Other Income Grant income	_	673,195
Other	6,000	6,000
	6,000	679,195
Note 5 Loss before income tax Note	2017 \$	2016 \$
The following significant revenue and expense items are relevant in explaining the financial performance:		
a. Depreciation and amortisation:		
Depreciation and amortisation of plant and equipment 14b	59,790	36,088
Amortisation of intangibles 15b	376,751	412,690
	436,542	448,778
b. Employment costs:		
b. Employment costs: Directors fees	204,750	193,958
Increase in employee benefits provisions	137,577	160,404
Superannuation expenses	423,185	236,128
Wages and salaries	3,922,824	2,443,686
Uther employment related costs	509,973	266,393
· <i>'</i>	5,198,309	3,300,569
Note 6 Auditor's remuneration	2017 \$	2016 \$
Audit and review of financial statements:		
Mazars Risk and Assurance Pty Limited	102,500	115,000
Buzzacott LLP	15,249	-
Other services - Taxation and other advice provided by a related practice of the Auditor - Mazars	28,630	10,800
Other services - Taxation and other advice provided by a related practice of	=5,130	
the Auditor - Buzzacott	32,836	<u>-</u>
	179,215	125,800



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Notes to the consolidated financial statements

for the year ended 30 June 2017

Note 7 Income tax Note	2017 \$	2016 \$
a. Income tax (benefit)/expense		<u> </u>
Current tax	-	-
Deferred tax	-	-
Tax rebate for Research and Development	(342,285)	(71,981)
	(342,285)	(71,981)
b. Reconciliation of income tax benefit to prima facie tax payable		
The prima facie tax payable / (benefit) on loss from ordinary activities before income tax is reconciled to income tax expense as follows:		
Prima facie tax benefit on operating loss at 27.5% (2016: 30%)	(1,494,712)	(554,823)
Add / (Less)		
Tax effect of:		
Capital-raising costs deductible	(20,312)	(59,529)
Timing differences	(91,436)	58,777
Non-deductible expenses	-	750
╚ Other	(3,087)	2,929
Deferred tax asset not brought to account	1,609,547	551,896
Income tax (benefit)/expense attributable to operating loss	-	-
Less rebates:		
Tax rebate for Research and Development	(342,285)	(71,981)
Income tax (benefit)/expense	(342,285)	(71,981)
	%	%
 The applicable weighted average effective tax rates attributable to operating profit are as follows 	_	-
	\$	\$
	*	•
d. Balance of franking account at year end of the legal parent	350,906	350,522



AND CONTROLLED ENTITIES
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Notes to the consolidated financial statements

for the year ended 30 June 2017

Note 7 Income tax (cont.)	Note	2017 \$	2016 \$
e. Deferred tax assets			
Provisions		79,023	47,043
Other		-	38,014
Capital raising costs		38,444	-
Transaction costs		-	123,922
Tax losses		1,340,313	798,261
		1,457,780	1,007,240
Set-off against deferred tax liabilities	7h	(171,700)	(28,694)
Net deferred tax assets		1,286,080	978,546
Less deferred tax assets not recognised		(1,286,080)	(978,546)
Net tax assets		-	-
f. Deferred tax liabilities			
Provisions		-	10,803
Intangibles		171,700	17,891
Property, plant, and equipment		-	-
		171,700	28,694
Set-off deferred tax assets	7g	(171,700)	(28,694)
Net deferred tax liabilities		-	-
g. Tax losses and deductible temporary differences			
Unused tax losses and deductible temporary differences for which is deferred tax asset has been recognised, that may be utilised to offset to liabilities:			
Deductible temporary differences		(54,233)	978,546
Revenue losses		2,134,779	791,244
Capital losses		-	7,016
		2,080,546	1,776,806

Potential deferred tax assets attributable to tax losses have not been brought to account at 30 June 2017 because the directors do not believe it is appropriate to regard realisation of the deferred tax assets as probable at this point in time. These benefits will only be obtained if:

- i. the Group derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the loss to be realised;
- ii. the company continues to comply with conditions for deductibility imposed by law; and
- iii. no changes in tax legislation adversely affect the Group in realising the benefit from the deductions for the loss.

h. Tax consolidation

The Board of Ensurance Ltd has entered into the Tax Consolidation Regime from 1 July 2015. This includes the preparation and signing of a Tax Sharing and Funding Agreement. Ensurance Limited is the head entity in the newly formed tax consolidated group. As a consequence, the entities are taxed as a single entity and the deferred tax assets and liabilities of these entities are set off in the consolidated financial statements. Under the tax funding agreement, the members of the Group are required to contribute to the head entity for their current tax liabilities. The assets and liabilities arising under the tax funding agreements are recognised as intercompany assets and liabilities at call. Members of the tax consolidated group via the tax sharing agreement may be called to provide for the income tax liabilities between the entities should the head entity default on its tax payment obligations. No amount has been recognised in respect of this component of the agreement as the outcome is considered remote.



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Notes to the consolidated financial statements

for the year ended 30 June 2017

No	te 8	Earnings per share(EPS)	Note	2017	2016
				\$	\$
a.	Reconcil	iation of earnings to profit or loss			
	Loss for	the year		(5,093,032)	(1,777,430)
	Less: loss	s attributable to non-controlling equity interest		-	-
	Loss use	d in the calculation of basic EPS		(5,093,032)	(1,777,430)
				2017	2016
				\$	\$
b.		of ordinary shares outstanding during the year used in calculation			
	of basic	EPS	8e	83,113,862	57,140,909
				2017	2016
				\$	\$
c.	Earnings	per share			
	Basic EPS	S (cents per share)	8d	(6.13)	(3.11)

- d. At the balance date, the Group has 10,097,314 unissued shares under options (2016: 1,000,000), 8,000,000 partly-paid shares on issue (2016: 8,000,000), 7,000,000 performance rights (2016: 7,000,000) and 13,636,366 convertible notes (2016: nil). The Group does not report diluted earnings per share on annual losses generated by the Group. During the 2017 financial year the Group's unissued shares under option, partly-paid shares, and performance rights were anti-dilutive. The Group's convertible notes are dilutive.
- e. During the year, the group issued the following unissued shares under options: 1,000,000 options exercisable at 12 cents and expiring 31 July 2020; 3,000,000 options exercisable at 9.2 cents and expiring 31 July 2020 and 6,097,314 options exercisable at 8 cents and expiring 31 July 2020. These options are anti-dilutive.



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30 June 2017

Notes to the consolidated financial statements

for the year ended 30 June 2017

Note 9 Cash and cash equivalents	Note	2017	2016
		\$	\$
a. Current			
Cash at bank		568,694	388,635
Cash on hand		1,179	1,010
		569,873	389,645
b. Reconciliation of cash			
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:			
Cash and cash equivalents	9a	569,873	389,645
Bank overdrafts	17	(146,472)	(132,187)
		423,401	257,458

c. The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in Note 27 Financial risk management.

d.	Note Cash Flow Information	2017 \$	2016 \$
	i. Reconciliation of cash flow from operations to (loss)/profit after income tax		
	Loss after income tax	(5,093,032)	(1,777,430)
	Cash flows excluded from (loss)/profit attributable to operating activities	-	-
	Non-cash flows in (loss)/profit from ordinary activities:		
	Depreciation and amortisation	436,542	448,778
	Convertible note interest	145,692	-
	Proceeds from asset development grants	-	(673,195)
	Share-based payments	-	8,980
	Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
	(Increase)/decrease in receivables	(28,460)	37,080
	(Increase)/decrease in prepayments and other assets	(40,158)	(13,989)
	(Increase)/decrease in net tax assets	(342,285)	(30,945)
	Increase/(decrease) in trade and other payables	1,049,678	648,206
	Increase/(decrease) in provisions	137,577	171,733
	Cash flow from operations	(3,734,446)	(1,180,782)

e. Credit standby facilities

The Group has no credit standby facilities.

f. Non-cash investing and financing activities

Nil.

Note 10 Trade and other receivables	2017 \$	2016 \$
a. Current		· •
Trade receivables	47,886	19,426
R&D Tax rebate receivable	342,285	-
Receivable from underwriter	1,334,810	-
	1,724,981	19,426

b. The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in note 27 Financial risk management.



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Notes to the consolidated financial statements

for the year ended 30 June 2017

Note 11 Other assets

Current Prepayments

2017 \$	2016 \$
74,030	33,872
74,030	33,872

Note 12 Compliance of insurance assets versus insurance liabilities

Note 12 Compliance of insurance assets versus insurance liabilities				
	Savill Hicks Corp. Pty Limited	Ensurance Underwriting Pty Limited	Ensurance UK Limited	Total
30 JUNE 2016	\$	\$	\$	\$
Trust account insurer assets				
Insurance debtors	872,494	444,384	-	1,316,878
Trust accounts	1,633,100	833,634	-	2,466,734
Less: intra-licensee balances				(62,960)
Total trust account insurance assets	2,505,594	1,278,018	-	3,720,652
Trust account insurer liabilities				
Underwriter's liability	2,334,268	1,245,224	-	3,579,492
Unearned commissions	158,750	(16,006)	-	142,744
Other	12,576	48,800	-	61,376
Less: intra-licensee balances				(62,960)
Total trust account insurance liabilities	2,505,594	1,278,018	-	3,720,652
Excess of insurance assets over insurance liabilities	-	-	-	-
30 JUNE 2017				
Trust account insurer assets				
Insurance debtors	1,376,866	844,031	2,487	2,223,384
Trust accounts	1,393,544	816,170	-	2,209,714
Less: intra-licensee balances				(63,362)
Total trust account insurance assets	2,770,410	1,660,201	2,487	4,369,736
Trust account insurer liabilities				
Underwriter's liability	2,559,029	1,526,143	2,487	4,087,659
Unearned commissions	196,404	80,912	-	277,316
Other	14,977	53,146	-	68,123
Less: intra-licensee balances				(63,362)
Total trust account insurance liabilities	2,770,410	1,660,201	2,487	4,369,736
Excess of insurance assets over insurance liabilities	-	-	-	-

Note 13 Financial assets

a. Non-current

Tier 1 Financial assets: Listed shares

Tier 2 Financial assets: Unlisted shares or funds

Bonds on deposit

2017	2016
\$	\$
5,868	19,467
-	33,435
24,398	43,887
30,266	96,789



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30 June 2017

Notes to the consolidated financial statements

for the year ended 30 June 2017

for the year ended 30 June 2017			
Note 14 Plant and equipment	Note	2017 \$	2016 \$
a. Non-current			
Fixtures, furniture, and fittings		127,527	118,200
Accumulated depreciation		(77,825)	(67,601)
	14b	49,702	50,599
Plant and equipment		186,616	170,630
Accumulated depreciation		(140,291)	(91,330)
	14b	46,325	79,300
Total plant and equipment		96,027	129,899
b. Movements in Carrying Amounts	Fixtures,		
2	furniture, and fittings	Plant and equipment	Total
	11ttiligs \$	\$	\$
Carrying amount: 1 July 2015	46,985	53,134	100,119
Additions	8,998	56,870	65,868
Disposals	-	-	-
Depreciation expense	(5,384)	(30,704)	(36,088)
Carrying amount: 30 June 2016	50,599	79,300	129,899
Carrying amount: 1 July 2016	50,599	79,300	129,899
Additions	9,932	15,986	25,918
Disposals	-	-	-
Depreciation expense	(10,829)	(48,961)	(59,790)
Carrying amount: 30 June 2017	49,702	46,325	96,027
Note 15 Intangible assets	Note	2017 \$	2016 \$
a. Non-current			
Software development costs		3,452,579	2,909,315
Accumulated amortisation		(1,517,934)	(1,141,184)
Total intangible assets	15b	1,934,645	1,768,131
b. Movements in Carrying Amounts			Software development costs \$
Carrying amount: 1 July 2015		•	835,679
Additions			1,345,142
Amortisation expense			(412,690)
Carrying amount: 30 June 2016			1,768,131
Carrying amount: 1 July 2016			1,768,131
Additions			543,265
Amortisation expense			(376,751)
Carrying amount: 30 June 2017			1,934,645



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Notes to the consolidated financial statements

for the year ended 30 June 2017

Note 16 Trade and other payables	Note	2017	2016
		\$	\$
a. Current			
Unsecured			
Trade payables & accruals	16b	544,923	341,783
Other payables		538,783	239,897
Other taxes		747,176	578,886
Related party payables		163,141	2,485
		1,994,023	1,163,051

- b. Trade payables are non-interest bearing and usually settled within the lower of terms of trade or 30 days.
- c. The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in note 27 Financial risk management.

Note 17 Borrowings	2017	2016
	\$	\$
a. Current		
Bank overdrafts	146,472	132,187
Interest-bearing, unsecured short term loans (i)	963,900	-
Related party loans	114,906	-
Premium funding loans	3,588	5,252
	1,228,866	137,439
b. Non-Current		
Convertible notes (ii)	2,280,007	-
Convertible loans (ii)	720,000	-
Accrued interest	45,912	-
Less: Equity component – value of conversion rights (iii) 20	(298,383)	-
	2,747,536	-

(i) This liability consists of the following loans: \$200,000, unsecured and repayable on 12 July 2017 carrying an interest rate of 2.5% for every two weeks the loan is outstanding; \$340,000, unsecured and repayable upon receipt of the Company's R&D tax rebate carrying an interest rate of 10% pa; \$500,000, unsecured and repayable on 8 August 2017 carrying an interest rate of 36% pa. An adjustment of \$76,100 was made to this figure to account for the value of options included with the loan balance. Refer to note 19 (c).

(ii) A \$3m convertible note was issued by the Company on 11 July 2016 at an issue price of \$0.22 per note. Each note entitles the holder to convert to one ordinary share. Conversion may occur at any time for a period of three years from the subscription date. If the notes have not been converted, they will be redeemed at this point. Interest of 8% will be paid quarterly up until that settlement date.

To the extent that convertible notes are held by Directors of the Company, they shall be classified as convertible loans, as conversion is subject to the approval of shareholders. Convertible loans are held in the following proportions: Stefan Hicks: \$500,000; Adam Davey: \$200,000; Grant Priest: \$20,000.



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(iii) 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 of \$298,383 has been credited to equity (option premium on convertible notes) and applies equally to convertible notes and convertible loans.

The liability component is measured at amortised cost. The interest component is measured at amortised cost. The interest expense is calculated by applying an effective interest rate of 12% for the period since the loan notes were issued.

The conversion price of the note reduces in line with the issue price of any capital raising conducted during the life of the note. As at the balance date, the conversion price was 8 cents and as such a further 37,500,000 shares stand to be issued, being 28,500,000 from convertible notes and 9,000,000 from convertible loans.

Note 18 Employee benefit provisions

a. Disclosed as:

Current

Non-current

Carrying amount at the end of year

te	2017	2016
	\$	\$
	374,950	233,114
	57,833	62,092
	432,783	295,206

b. Movements in Carrying Amounts

Carrying amount at the beginning of year
Additional provisions raised during the year
Amounts used
Carrying amount at the end of year

Annual leave \$	Long service Leave \$	Total \$
201,204	94,002	295,206
349,784	9,329	359,113
(221,536)	-	(221,536)
329,452	103,331	432,783

Not

c. Description of provisions

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the Group does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the Group does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.



Partly-paid Shares

8,000,000

19b.i

30 June 2017

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8,000,000

Notes to the consolidated financial statements

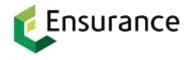
for the year ended 30 June 2017

Note 19 Issued capital	2017 No.	2016 No.	2017 \$	2016 \$
Fully paid ordinary shares at no par value	83,113,862	57,140,909	7,210,755	6,097,054
a. Ordinary shares				
At the beginning of the period	57,140,909	57,140,909	6,097,054	6,097,054
Shares issued during the year	25,972,953	-	2,077,851	-
Capital raising transaction costs	-	-	(964,150)	-
Balance at reporting date	83,113,862	57,140,909	7,210,755	6,097,054
		į		
			2017	2016
			No.	No.
b. Partly paid shares				

i. Each Partly Paid Share is issued at a price of 20 cents of which 0.01 of one cent is paid with the balance payable, at the election of the holder, any time within five years from the date of Shareholder approval of the special resolution, being 30 November 2020, in accordance with resolution 13 of the Company's 2015 Annual General Meeting.

The Partly Paid Shares will not be subject to calls by Ensurance and any of the Partly Paid Shares which are not fully paid up at the expiration date of 30 November 2020 shall be forfeited (in accordance with Ensurance's constitution) and the holder shall have no right to pay up and shall retain no rights in relation thereto.

c.	Options	2017 No.	2016 No.
	Options exercisable at 20 cents expired 19 September 2016	-	1,000,000
	Options exercisable at 12 cents expiring 31 July 2020	1,000,000	-
	Options exercisable at 9.2 cents expiring 31 July 2020	3,000,000	-
	Options exercisable at 8 cents expiring 31 July 2020	6,097,314	-
		10,097,314	1,000,000
Ор	tions were valued using the Black-Scholes model as follows	2017 \$	2016 \$
	Options exercisable at 12 cents expiring 31 July 2020	76,100	-
	Options exercisable at 9.2 cents expiring 31 July 2020	245,700	-
	Options exercisable at 8 cents expiring 31 July 2020	516,442	-
	20	838,242	-



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			2017	2016
d.	Performance rights		No.	No.
	Performance Rights Class A 26	6a.i	6,500,000	6,500,000
	Performance Rights Class B 26	āa.ii	500,000	500,000
	Carrying amount at the end of year		7,000,000	7,000,000
e.	Convertible Notes			
	Convertible notes 17	7b.i	28,500,000	-
	Converting loans 17	7b.i	9,000,000	
	Carrying amount at the end of year		37,500,000	

f. Capital Management

The Directors' objectives when managing capital are to ensure that the Group can maintain a capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the availability of liquid funds in order to meet its short-term commitments.

	2017	2016
Current ratio	0.85	0.79

The focus of the Group's capital risk management is the current working capital position against the requirements of the Group in respect to operations, software development and overheads. The Group's strategy is to ensure appropriate liquidity is maintained to meet forecast operating requirements, with a view to initiating capital raisings as required.

The Group is subject to externally imposed capital requirements under the FSRA Legislation through its Australian Financial Services (AFS) Licensees, Savill Hicks Corp. Pty Limited and Ensurance Underwriting Pty Limited. This legislation requires that the insurance assets of the entity be equal to or exceed the insurance liabilities. Refer also note 12.

The working capital position of the Group at 30 June 2017 and 30 June 2016 were as follows:

	Note	2017	2016
		\$	\$
Cash and cash equivalents	9	569,873	389,645
Trade and other receivables	10	1,724,981	19,426
Other current assets		74,030	33,872
Trust account insurer assets	12a	4,369,736	3,720,652
Trust account insurer liabilities	12b	(4,369,736)	(3,720,652)
Trade and other payables	16	(1,994,023)	(1,163,051)
Short-term borrowings	17	(1,228,866)	(137,439)
Short-term provisions	18	(374,950)	(233,114)
Working capital position		(1,228,955)	(1,090,661)



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Notes to the consolidated financial statements

for the year ended 30 June 2017

Note 20 Reserves	Note	2017 \$	2016 \$
Investment revaluation reserve	20a	11,488	9,687
Share-based payment reserve	20b	8,980	8,980
Convertible note option premium reserve	20c	298,383	-
Share option reserve	19,20d	838,242	-
Total reserves		1,157,093	18,667

a. Investment revaluation reserve

The investment revaluation reserve records revaluations of investments held by the Group.

b. Share-based payment reserve

The share-based payment reserve records items recognised as expenses on the value of equity issues.

c. Convertible note option premium reserve

The convertible note option premium reserve recognises the equity component attached to the Company's convertible notes.

d. Share option reserve

The share option reserve recognises the value of the unlisted share options in the Company.



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Notes to the consolidated financial statements

for the year ended 30 June 2017

Note 21 Controlled entities

a. Legal parent entity

Ensurance Limited is the ultimate parent of the Group (refer to Note 1a.iii).

i. Legal subsidiaries		Country of	Country of Class of Percentag		ge Owned	
		Incorporation	Shares	2017	2016	
C.	Ensurance Capital Pty Limited	Australia	Ordinary	100.0%	100.0%	
C.	Ensurance IT Pty Limited	Australia	Ordinary	100.0%	100.0%	
C.	Ensurance Underwriting Pty Limited	Australia	Ordinary	100.0%	100.0%	
Ľ.	Savill Hicks Corp. Pty Limited	Australia	Ordinary	100.0%	100.0%	
Ľ.	Savill Hicks Corp. (NSW) Pty Ltd	Australia	Ordinary	100.0%	100.0%	
Ľ.	Ensurance Life Pty Ltd	Australia	Ordinary	100.0%	100.0%	
Ľ.	Ensurance UK Limited	United Kingdom	Ordinary	100.0%	NA	

- b. Investments in subsidiaries are accounted for at cost.
- c. Ensurance UK Limited was incorporated in the United Kingdom on 10 August 2016.

Note 22 Commitments	2017	2016
	\$	\$
a. Operating lease commitments:		
Minimum lease payments under non-cancellable operating leases		
unot later than 12 months	267,848	216,147
between 12 months and 5 years	178,401	159,182
greater than 5 years	-	
	446,249	375,329

A renewed operating lease is held over level 2 Glen St, Milsons Point, NSW. The period of the lease is a non-cancellable three-year period commencing 1 August 2016. A further operating lease is held over 400 Canterbury Road, Surrey Hills Melbourne Vic. The period of the lease is a non-cancellable three-year period commencing 9 March 2015. A further operating lease is held over 6 Bevis Marks, London. The period of lease is a non-cancellable one-year period commencing 12 December 2016.



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Notes to the consolidated financial statements

for the year ended 30 June 2017

Note 23 Key Management Personnel compensation (KMP)

The names and positions of KMP are as follows:

Mr Adam Davey Chairman

Mr Stefan Hicks Managing Director

Mr Brett Graves Executive Director, Chief Operating Officer

Mr Neil PinnerMon-Executive DirectorMr Grant PriestNon-Executive Director

Mr Michael Huntly CEO of Ensurance Underwriting

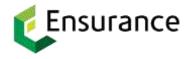
Peter Fielding COO of Ensurance IT

Sam Hallab Chief Financial Officer & Company Secretary (appointed Company Secretary 1 February 2017)

Tim James CEO of Ensurance UK Limited (Appointed 1 December 2016)

The total of remuneration paid to KMP during the year are as follows:

	2017	2016
	\$	\$
Short-term employee benefits	1,685,068	1,087,840
Post-employment benefits	141,961	91,901
Share-based payments	-	8,980
Total	1,827,029	1,188,721
Note 24 Related party transactions	2017	2016
Note 24 Related party transactions	\$	\$
Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.		
Payments made in respect to remuneration of related parties of the KMP:		
K Graves (spouse of Mr Brett Graves)	45,865	43,654
C Hicks (spouse of Mr Stefan Hicks)	-	615
P Huntly (spouse of Mr Michael Huntly)	-	46,442
J Huntly (son of Mr Michael Huntly)	11,585	-



AND CONTROLLED ENTITIES
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Notes to the consolidated financial statements

for the year ended 30 June 2017

Note 25 Operating segments

a. Identification of reportable segments

The Group operates predominantly in the insurance industry. This comprises sale of insurance products & underwriting, and development of industry information technology. Inter-segment transactions are priced at cost to the Group.

The Group has identified its operating segments based on the internal reports that are provided to the Board of Directors (**the Board**) on a monthly basis and in determining the allocation of resources. Management has identified four reportable segments: insurance (both in Australia and the UK), information technology and corporate overheads.

b. Basis of accounting for purposes of reporting by operating segments

i. Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board, being the chief decision maker with respect to operating segments, are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

Inter-segment transactions

An internally determined transfer price is set for all inter-segment sales. This price is based on what would be realised in the event the sale was made to an external party at arm's length. All such transactions are eliminated on consolidation of the Group's financial statements.

Corporate charges are recognised in "Corporate Head Office" which contains the treasury and oversight functions of the Group. Management fees are charged from respective segments to reflect an allocation of costs across the Group. All such transactions are eliminated on consolidation of the Group's financial statements.

Inter-segment loans payable and receivable are initially recognised at the consideration received/to be received net of transaction costs. If inter-segment loans receivable and payable are not on commercial terms, these are not adjusted to fair value based on market interest rates. This policy represents a departure from that applied to the statutory financial statements.

iii. Segment assets

Where an asset is used across multiple segments, the asset is allocated to that segment that receives majority economic value from that asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

iv. Segment liabilities

Liabilities are allocated to segments where there is a direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Group as a whole and are not allocated. Segment liabilities include trade and other payables and certain direct borrowings.

v. Unallocated items

The following items of revenue, expenses, assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment:

- Depreciation and amortisation
- Gains or losses on sales of financial and non-financial assets
- Investment income

c. Basis of accounting for purposes of reporting by operating segments

The Group operates in two geographical areas being Australia and the United Kingdom. Segment results are reported under the Australian regulatory body's accounting standards.



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Notes to the consolidated financial statements

for the year ended 30 June 2017

Note 25 Operating segments (cont.)

For the Year to 30 June 2017			Information Corporate Head		
	Insurance	Insurance (UK)	Technology	Office	Total
	\$	\$	\$	\$	\$
Revenue	2.405.464				2.405.464
RevenueGrant funding	3,195,464	-	-	-	3,195,464
Interest revenue	22,018	- -	-	1,410	23,428
_					
Total segment revenue Reconciliation of segment revenue to group	3,020,161	-	-	1,410	3,218,892
revenue					
Intra-segment income and expense	(163,247)	-	(147,819)	311,066	-
Cther income	6,000	-	-	-	6,000
Total group revenue and other income					3,224,892
Segment net/profit (loss) from continuing					
operations before tax	17,359	(1,013,351)	(1,009,827)	(2,992,956)	(4,998,775
Reconciliation of segment loss to group loss					
(i) Amounts not included in segment results					
but reviewed by Board: Depreciation and amortisation	(69,267)	(1,681)	(361,554)	(4,039)	(436,542
(ii) Unallocated items	(03,207)	(1,001)	(301,334)	(4,033)	(+30,5+2
· <i>'</i>				-	
Loss before income tax				-	(5,435,317)
As at 30 June 2017					
Segment Assets	6,006,212	128,133	1,741,599	11,708,489	19,584,433
Reconciliation of segment assets to group	-,,	-,	, ,===	,,	-,,
assets					
Intra-segment eliminations				_	(10,784,875
Total assets				_	8,799,558
Segment asset increases for the year:					
Capital expenditure	76,265	-	466,999	-	543,264
Acquisitions	14,354	8,981	-	2,255	25,590
	90,619	8,981	466,999	2,255	568,854
Segment Liabilities	5,415,103	1,142,995	3,226,384	2,927,657	12,712,139
Reconciliation of segment liabilities to group liabilities					
Intra-segment eliminations					(1,913,742
Total liabilities					10,798,397
				_	



Notes to the consolidated financial statements

for the year ended 30 June 2017

Note 25 Operating segments (cont.)

Note 25 Operating segments (cont.)				
For the Year to 30 June 2016		Information	Corporate Head	
	Insurance	Technology	Office	Total
	\$	\$	\$	\$
Revenue				
Revenue	2,990,010	-	-	2,990,010
Grant funding	-	673,195	-	673,195
Interest revenue	30,151	-	12,942	43,093
Total segment revenue	3,020,161	673,195	12,942	3,706,298
Reconciliation of segment revenue to group				
revenue				
Intra-segment income and expense	(348,157)	(70,526)	418,683	-
Cther income	6,000	-	-	6,000
Total group revenue and other income				3,712,298
Segment net/profit (loss) from continuing				
operations before tax	(74,195)	189,256	(1,515,694)	(1,400,633)
Reconciliation of segment loss to group loss				
(iii) Amounts not included in segment results				
but reviewed by Board:				
Depreciation and amortisation	(55,148)	(392,359)	(1,271)	(448,778)
(iv) Unallocated items	-	-	-	
Loss before income tax				(1,849,411)
As at 30 June 2016				
Segment Assets	5,482,654	1,642,440	12,182,925	19,308,019
Reconciliation of segment assets to group	2,102,001	_,,,,,,,,,	,,	
assets				
Intra-segment eliminations				(13,149,605)
Total assets				6.450.444
Total assets				6,158,414
Segment asset increases for the year:				
Capital expenditure	76,962	875,996	-	952,958
Acquisitions	30,818	27,943	7,105	65,866
	107,780	903,939	7,105	1,018,824
_				
Segment Liabilities	4,840,837	1,755,844	2,998,308	9,594,989
Reconciliation of segment liabilities to group liabilities				
Intra-segment eliminations				(4,278,641)
Total liabilities				5,316,348
				•



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Notes to the consolidated financial statements

for the year ended 30 June 2017

Note 26 Share-based payments

2017 2016 \$ \$ - 8,980

Share-based payment expense

- a. The above share-based payment expense is comprised of the following arrangements in place at 30 June 2017:
 - i. On 30 November 2015, 6,500,000 Performance Rights Class A (Class A Rights) were granted to Directors of the Company. Upon the Company achieving the target share price of \$0.80, based on a 30-day volume weighted average share price, within 5 years, the Class A Rights will vest, entitling the holder or his nominee to 1 fully paid ordinary share in the Company per vested Class A Right. The Class A Rights hold no voting or dividend rights and are not transferable. At balance date, no Class A Right has converted or been forfeited and 6,500,000 Class A Rights remain.
 - ii. On 30 November 2015, 500,000 Performance Rights Class B (Class B Rights) were granted to Mr Adam Davey. Class B Rights will vest on the introduction to, and entry into an agreement with, a strategic partner to the Company which results directly or indirectly in a material increase in the Company's revenue or otherwise increases the value of the Company, at the discretion of the Board of the Company. The Class B Rights hold no voting or dividend rights and are not transferable. At balance date, no Class B Right has converted or been forfeited and 500,000 Class B Rights remain.
- b. A summary of the movements of all Company performance rights issued as share-based payments is as follows:

	2017	2016
	No.	No.
Outstanding at the beginning of the year	7,000,000	-
Granted	-	7,000,000
Converted to ordinary shares	-	-
Expired	-	
Outstanding at year-end	7,000,000	7,000,000

The weighted average remaining contractual life of performance rights outstanding at year end was 3.423 years.

The fair value of the performance rights granted to Directors is deemed to represent the value of the Directors' services received over the vesting period. These values were calculated using the Monte-Carlo option pricing model, applying the following inputs to performance rights issued:

	Class A Rights	Class B Rights
Grant date:	30 November 2015	30 November 2015
Grant date share price:	\$0.19	\$0.19
Deemed strike price	\$0.80	\$0.25
Number of performance rights issued:	6,500,000	500,000
Remaining life of the performance rights (years):	3.423	3.423
Expected share price volatility:	31.06%	31.06%
Risk-free interest rate:	2.00%	2.00%

Volatility has been determined based on the historical share price for the period between 5 May 2015 and 19 October 2015. The start date of May 5 2015 was used as this was the date the Company announced its reinstatement to Official Quotation on the ASX.



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30 June 2017

Notes to the consolidated financial statements

for the year ended 30 June 2017

Note 27 Financial risk management

a. Financial Risk Management Policies

This note presents information about the Group's exposure to each of the above risks, its objectives, policies and procedures for measuring and managing risk, and the management of capital.

The Group's financial instruments consist mainly of deposits with banks, short-term investments, and accounts payable and receivable.

The Group does not speculate in the trading of derivative instruments.

A summary of the Group's Financial Assets and Liabilities is shown below:

	Floating	Fixed	Non-		Floating	Fixed	Non-	
	Interest	Interest	interest	2017	Interest	Interest	interest	2016
	Rate	Rate	Bearing	Total	Rate	Rate	Bearing	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Financial Assets								
Cash and cash equivalents	569,873	-	-	569,873	389,645	-	-	389,645
Trade and other receivables	-	-	1,724,981	1,724,981	-	-	19,426	19,426
Trust account insurer assets	-	2,209,714	2,160,022	4,369,736	-	2,466,734	1,316,878	3,783,612
Financial assets	-	-	30,266	30,266	-	-	96,789	96,789
Total Financial Assets	569,873	2,209,714	3,915,269	6,694,856	389,645	2,466,734	1,433,093	4,289,472
Financial Liabilities								
Financial liabilities at amortised cost								
▶ Trade and other payables	-	-	1,994,023	1,994,023	-	-	1,163,051	1,163,051
Trust account insurer liabilities	-	-	4,369,736	4,369,736	-	-	3,720,652	3,720,652
Borrowings	146,472	3,826,342	3,588	3,976,402	132,187	-	5,252	137,439
Total Financial Liabilities	146,472	3,826,342	6,367,347	10,340,161	132,187	-	4,888,955	5,021,142
Net Financial Assets/(Liabilities)	423,401	(1,616,628)	(2,452,078)	(3,645,305)	257,458	2,466,734	(3,455,862)	(731,670)

b. Specific Financial Risk Exposures and Management

The main risk the Group is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate, foreign currency risk and equity price risk.

The Board of directors has overall responsibility for the establishment and oversight of the risk management framework. The Board adopts practices designed to identify significant areas of business risk and to effectively manage those risks in accordance with the Group's risk profile. This includes assessing, monitoring and managing risks for the Group and setting appropriate risk limits and controls.

i. Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group.

The Group does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the Group.



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Notes to the consolidated financial statements

for the year ended 30 June 2016

Note 27 Financial risk management (cont.)

The objective of the Group is to minimise the risk of loss from credit risk. Although revenue from operations is minimal, the Group trades only with creditworthy third parties.

In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is insignificant. The Group's maximum credit risk exposure is limited to the carrying value of its financial assets as indicated on the statement of financial position.

The Group establishes that no allowance for impairment is necessary in respect of trade and other receivables.

Credit risk exposures

The maximum exposure to credit risk is that to its alliance partners and that is limited to the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

Credit risk related to balances with banks and other financial institutions is managed by the Group in accordance with approved Board policy. Such policy requires that surplus funds are only invested with financial institutions residing in Australia, wherever possible.

Impairment losses

The ageing of the Group's trade and other receivables at reporting date was as follows:

				Past due but not
	Gross	Impaired	Net	impaired
	2017	2017	2017	2017
	\$	\$	\$	\$
Trade receivables				
Not past due	1,302,571	-	1,302,571	-
Past due up to 30 days	465,221	-	465,221	465,221
Past due 30 days to 3 months	257,875	-	257,875	257,875
Past due over 3 months	47,493	-	47,493	47,493
Less intra-Group balances	(63,362)	-	(63,362)	-
	2,009,798	-	2,009,798	770,589
Other receivables				
Not past due	47,886	-	47,886	-
Total	2,057,684	-	2,057,684	770,589

ii. Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities.

The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and ensuring sufficient cash and marketable securities are available to meet the current and future commitments of the Group.

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Typically the Group ensures that it has sufficient cash to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

In addition, the Group's AFS Licensees are subject to the conditions of their AFS License. Accordingly, in meeting the cash needs requirement, the Group prepares cash flow projections to demonstrate the Licensees will have sufficient cash under the terms of their license.



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Notes to the consolidated financial statements

for the year ended 30 June 2017

Note 27 Financial risk management (cont.)

All trade and other payables are non-interest bearing and due within 30 days of the reporting date.

Contractual Maturities

The following are the contractual maturities of financial liabilities of the Group:

	Within 1 Year		Greater Th	an 1 Year	Total	
	2017	2016	2017	2016	2017	2016
	\$	\$	\$	\$	\$	\$
Financial liabilities due for payment						
Trade and other payables	1,994,023	1,163,051	25,453	-	2,019,476	1,163,051
Trust account insurer liabilities	4,369,736	3,720,652	-	-	4,369,736	3,720,652
Borrowings	1,228,866	137,439	2,747,536	-	3,976,402	137,439
Total contractual outflows	7,592,625	5,021,142	2,772,989	-	10,365,614	5,021,142
Financial assets						
Cash and cash equivalents	569,873	389,645	-	-	569,873	389,645
Trade and other receivables	1,724,981	19,426	-	-	1,724,981	19,426
Trust account insurer assets	4,369,736	3,720,652	-	-	4,369,736	3,720,652
Total anticipated inflows	6,664,590	4,129,723	-	-	6,664,590	4,129,723
Net (outflow)/inflow on financial						
instruments	(928,035)	(891,419)	(2,772,989)	-	(3,701,024)	(891,419)

i. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Board meets on a regular basis and considers the Group's interest rate risk.

(1) Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Group is also exposed to earnings volatility on floating rate instruments.

Due to the low amount of debt exposed to floating interest rates, interest rate risk is not considered a high risk to the Group. Movement in interest rates on the Group's financial liabilities and assets is not material.

(2) Foreign exchange risk

Exposure to foreign exchange risk may result in the fair value or future cash flows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies in which the Group holds financial instruments which are other than the AUD functional currency of the Group.

The Group has no material exposure to foreign exchange risk on its financial instruments.



AND CONTROLLED ENTITIES
ABN 80 148 142 634

Notes to the consolidated financial statements

for the year ended 30 June 2017

Note 27 Financial risk management (cont.)

(3) Price risk

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Group does not presently hold material amounts subject to price risk. As such the Board considers price risk as a low risk to the Group.

ii. Sensitivity Analyses

(1) Foreign exchange

Notwithstanding the Group's subsidiary in the UK, namely Ensurance UK Limited, the Group did not carry significant financial assets or liabilities in foreign currencies in the 2017 financial year (2016: nil), and therefore was not subject to material foreign exchange risk, and according not subject to material sensitivities. Balances held by Ensurance UK Limited are not currently material.

iii. Net Fair Values

(1) Fair value estimation

The fair values of financial assets and financial liabilities are presented in the table in note 27a and can be compared to their carrying values as presented in the statement of financial position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Financial instruments whose carrying value is equivalent to fair value due to their nature include:

- Cash and cash equivalents;
- Trade and other receivables;
- Trust account insurance assets and liabilities; and
- Trade and other payables.

The methods and assumptions used in determining the fair values of financial instruments are disclosed in the accounting policy notes specific to the asset or liability.

Note 28 Events subsequent to reporting date

On 31 July 2017, the Company issued the following unlisted options for ordinary shares: 1,000,000 options exercisable at 12 cents and expiring 31 July 2020, 3,000,000 options exercisable at 9.2 cents and expiring 31 July 2020; and 6,097,314 options exercisable at 8 cents and expiring 31 July 2020. These options were issued in connection with the Entitlement Offer Prospectus dated 6 June 2017 (9,097,314 options) and in connection with a short-term loan agreement (1,000,000 options).

The Company entered into an underwriting agreement on 27 September 2017 with Transocean Pty Limited in respect of its intention to undertake a placement program for eligible investors with a view to raising \$3,000,000 before capital raising costs.

The Company entered into a loan agreement on 27 September 2017 with Kalonda Pty Ltd ATF Leibowitz Superannuation Fund to make available to the Group a cash advance facility on a progressive basis up to, but not exceeding, \$1,150,000, payable at the earliest of 3 months from the initial drawdown or the finalisation of the \$3,000,000 share placement plan.

Note 29 Contingent liabilities

There are no contingent liabilities as at 30 June 2017 (2016: Nil).



AND CONTROLLED ENTITIES ABN 80 148 142 634

Notes to the consolidated financial statements

for the year ended 30 June 2017

Note 30 Parent entity disclosures	Note		
		2017	2016
The social Position of Francisco Library (Institute of Head Special Control		\$	\$
a. Financial Position of Ensurance Limited (legal parent)			
Current assets		2,007,943	90,145
Non-current assets		1,353,487	1,769,289
Total assets		3,361,430	1,859,434
Current liabilities		2,283,813	75,692
Non-current liabilities		3,049,797	941,676
Total liabilities		5,333,610	1,017,368
Net assets/(deficiency)		(1,972,180)	842,066
Equity			
Issued capital		12,332,351	11,218,650
Investment revaluation reserve		(200)	(800)
Convertible note option premium reserve		298,383	-
Share-based payment reserve		952,522	114,280
Accumulated losses		(15,555,236)	(10,490,064)
Total equity		(1,972,180)	842,066
b. Financial performance of Ensurance Limited			
Profit / (loss) for the year		(5,065,172)	(9,408,863)
Other comprehensive income		-	800
Total comprehensive income		(5,065,172)	(9,408,063)

c. Guarantees entered into by Ensurance Limited for the debts of its subsidiaries

The Board of Ensurance Ltd has declared in writing that it will support the liabilities of its subsidiaries (the companies) and will continue to financially support the companies while they remain wholly owned under the control of Ensurance Ltd.

d. Impairment of investments and loans to subsidiaries

The Board of Ensurance Ltd has undertaken an impairment assessment of the parent entity's investment in Ensurance Capital of \$7,525,195 and loans to subsidiaries of \$6,267,446. As a result of this assessment, the Company has recognised an impairment to the investment of \$7,525,195 and an impairment to the loans of \$6,055,422. This equates to an impairment loss of \$13,580,617. Of this amount \$4,550,809 is recognised in the current year (2016: \$9,029,808). These impairments relate only to disclosures as contained in this Note 30



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ABN 80 148 142 634

30 June 2017

Directors' declaration

The Directors of the Company declare that:

- 1. The financial statements and notes, as set out on pages 17 to 55, are in accordance with the *Corporations Act 2001* (Cth) and:
 - (a) comply with Accounting Standards;
 - (b) are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, as stated in note 1 to the financial statements; and
 - (c) give a true and fair view of the financial position as at 30 June 2017 and of the performance for the year ended on that date of the Group.
 - (d) the Directors have been given the declarations required by s.295A of the Corporations Act 2001 (Cth);
- 2. in the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:

ADAM DAVEY

Chairman

Dated this Friday, 29 September 2017





INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENSURANCE LIMITED AND ITS CONTROLLED ENTITIES

Report on the Financial Report

Opinion

We have audited the accompanying financial report of Ensurance Ltd and its controlled entities (the "Group"), which comprises the consolidated statement of financial position as at 30 June 2017 and consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended on that date, other selected explanatory notes and the directors' declaration as set out on pages 17 to 56.

In our opinion, the accompanying financial report of the Group is 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 2017 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis of 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 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 and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (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.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial report, which indicates that the Group incurred a net loss of \$5,093,032 during the year ended 30 June 2017 and as of that date, the Group's reflected a negative net working capital of \$1,228,955, net liability of \$1,998,839 and accumulated losses of \$10,366,687.





The ability of the Group to continue as a going concern and pay their debts as and when they fall due is dependent upon a number of factors including:

- a) the Group's ability to raise additional funds through debt financing and capital raising arrangements such that they are adequate enough to provide sufficient working capital in line with forecasts;
- b) the Group's ability to realise forecast revenue and expense targets, including an increase in revenue of 60% in Australia and 118% in the UK over the next 12 months;
- c) the continued support of its investors in supporting any further capital raising program.
- d) The ability of the Group's two AFSL holders Savill Hicks Corporation Pty Ltd and Ensurance Underwriting Pty Ltd to produce cash flows available to support the group in excess of the cash flow needs requirements established under their licence conditions. Cash flows generated by these entities required to meet cash flow need requirements including any cash flow buffers are not available to support group cash flow needs. The AFSL licence holders represent two of the three operating companies and 100% of the revenue and 57% of the cash flow of the group on a historical basis.

Should the Group be unable to generate sufficient funds from its operations or unable to raise sufficient working capital then it may indicate the existence of a material uncertainty 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.

Key Audit Matters

The key audit matters are those matters that, in our professional judgement 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.





Key audit matter

How the matter was addressed in the audit

Valuation of intangible assets

Note 15

Capitalised intangible assets relate to the costs incurred for the development of an insurer online platform.

The impairment of intangible assets is a key audit matter in the statutory audit as the assessment of impairment has a high degree of judgement and dependent on estimates derived by management.

Management have used judgements in determining the extent to which the developed software will generate sufficient economic benefits to support the carrying value of these costs. These judgements relate to discount rates, expected cash flows and revenue and cost growth.

Management test intangible assets for impairment annually and whenever there appears to be an indication that the intangible assert is impaired. .

Management used value in use calculations to assess the recoverable amount of the intangible assets. The key assumptions relate to discount rates and revenue and cost growth rates. Based upon the results of impairment tests performed by management, there was no impairment in the carrying value of intangible assets as the recoverable amount determined based on the value in use calculations exceeded the carrying amount as at 30 June 2017. The key assumptions are disclosed in note 1.p.ii.2 of the financial statements.

Our procedures included but were not limited to:

- challenging the Group's key assumptions and estimates used to determine the recoverable value, including those relating to discount rates, cash flows and growth assumptions.
- comparing previous forecasts to actual results to assess the performance of the business and the accuracy of forecasting.
- performing a sensitivity analysis over key assumptions such as forecast growth rates.
- assessing management's evaluation of indicators that capitalised software intangible assets may be impaired. In assessing this, we compared the assumptions underlying the estimated future benefits to our understanding of the business and relevant economic and industry factors.
- evaluating the recognition criteria applied to the costs incurred and capitalised during the financial year against the requirements of the accounting standards.
- assessing the appropriateness of disclosures made in the financial report relating to the assumptions, judgements, estimates made.





Key audit matter

How the matter was addressed in the audit

Compliance with Australian Financial Services Licence Note 12

Our audit procedures focussed upon the group's compliance with the financial and operational requirements of two Australian Financial Services Licenses held by the Group throughout the financial year. The group holds Australian financial services licenses - Ensurance Underwriting Pty Ltd: 429874 and Savill Hicks Corp Pty Ltd: 240867 which enable them to trade as an insurance broker. Conditions attached to both licenses include the need for positive net assets, sufficiency of cash flows and documentation of operational matters.

Given the emphasis of matter relating to going concern noted in Note 1.a.ii to the financial report, our review of the cash flow requirements and associated projections is a key area of the audit, particularly given the significant judgements and estimates required in their compilation.

Our procedures included but were not limited to:

- comparing cash flow forecasts from prior periods to actual balances.
- ensuring there are no calculation errors within the projections and other financial calculations used.
- performing sensitivity analysis over key assumptions and their impact on AFSL ratio requirements.
- assessing management's assumptions and judgements made in the preparation of cash flow projections and performance of associated sensitivities.
- reviewing of documentation of all operational requirements ensuring compliance with the licensing requirements.
- assessing the appropriateness of disclosures made in the financial report relating to the financial services licenses held and compliance with their conditions.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2017, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information identified above when it becomes available and, in doing so, 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.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.





Responsibilities of Directors for the Financial Report

The directors of the Group are responsible for the preparation of the financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the Corporations Act 2001. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a 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 ability of the Group 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 Group 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 an 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 the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the 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, designs and performs audit procedures responsive to those risks, and obtains audit evidence that is sufficient and appropriate to provide a basis for the auditor's 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the director's 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 Group's ability to continue as a going concern. If the auditor concludes that a material uncertainty exists, we are required to draw attention in the 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 the auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.





• 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.

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 the auditor identifies during the 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 related safeguards.

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 audit report unless law or regulation precludes public disclosure about the matter or when, in extreme 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 of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included on pages 9 of the directors' report for the year ended 30 June 2017.

In our opinion, the Remuneration Report of Ensurance Limited for the year ended 30 June 2017, complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Group 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.

MAZARS RISK & ASSURANCE PTY LIMITED

R. Megale Director

Signed in Sydney this 29th day of September 2017



R. Megall

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Corporate governance statement

This Corporate Governance summary discloses the extent to which the Company will follow the recommendations set by the ASX Corporate Governance Council in its publication 'Corporate Governance Principles and Recommendations (3rd Edition)' (Recommendations). The Recommendations are not mandatory, however, the Recommendations that will not be followed have been identified and reasons have been provided for not following them.

The Company's Corporate Governance Plan has been posted on the Company's website at www.ensurance.com.au.

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
Principle 1: Lay solid foundations for management	and over	sight
Recommendation 1.1 A listed entity should have and disclose a charter which: (a) sets out the respective roles and responsibilities of the board, the chair and management; and (b) includes a description of those matters expressly reserved to the board and those delegated to management.	YES	The Company has adopted a Board Charter. The Board Charter sets out the specific responsibilities of the Board, requirements as to the Boards composition, the roles and responsibilities of the Chairman and Company Secretary, the establishment, operation and management of Board Committees, Directors access to company records and information, details of the Board's relationship with management, details of the Board's performance review and details of the Board's disclosure policy. A copy of the Company's Board Charter is stated in Schedule 1 of the Corporate Governance Plan which is available on the Company's website.
Recommendation 1.2 A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information relevant to a decision on whether or not to elect or reelect a director.	YES	 (a) The Company has detailed guidelines for the appointment and selection of the Board members. The Company's Corporate Governance Plan requires the Board to undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director. (b) Material information relevant to any decision on whether or not to elect or re-elect a Director will be provided to security holders in the notice of meeting holding the resolution to elect or re-elect the Director.
Recommendation 1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	YES	The Company's Corporate Governance Plan requires the Board to ensure that each Director and senior executive is a party to a written agreement with the Company which sets out the terms of that Director's or senior executive's appointment.
Recommendation 1.4 The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	YES	The Board Charter outlines the roles, responsibilities and accountability of the Company Secretary. The Company Secretary is accountable directly to the Board, through the chair, on all matters to do with the proper functioning of the Board.
Recommendation 1.5 A listed entity should: (a) have a diversity policy which includes requirements for the board: (i) to set measurable objectives for achieving gender diversity; and (ii) to assess annually both the objectives and the entity's progress in achieving them; (b) disclose that policy or a summary or it; and (c) disclose as at the end of each reporting period: (i) the measurable objectives for achieving gender diversity set by the board in accordance with the entity's diversity policy and its progress towards achieving them; and (ii) either: (A) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or (B) the entity's "Gender Equality Indicators", as defined in the Workplace Gender Equality Act 2012.	YES	 (a) The Company has adopted a Diversity Policy. (i) The Diversity Policy provides a framework for the Company to achieve a list of 6 measurable objectives that encompass gender equality. (ii) The Diversity Policy provides for the monitoring and evaluation of the scope and currency of the Diversity Policy. The company is responsible for implementing, monitoring and reporting on the measurable objectives. (b) The Diversity Policy is stated in Schedule 10 of the Corporate Governance Plan which is available on the company website. (c) (i) The measurable objectives set by the Board will be included in the annual key performance indicators for the CEO, MD and senior executives. In addition, the Board will review progress against the objectives in its annual performance assessment. (ii) The Company currently has 49 employees, 21 of those employees are woman.



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PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXF	PLANATION
Recommendation 1.6 A listed entity should: (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and (b) disclose in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	YES	(a) (b)	The Board is responsible for evaluating the performance of the Board and individual directors on an annual basis. It may do so with the aid of an independent advisor. The process for this can be found in Schedule 5 of the Company's Corporate Governance Plan. The Company's Corporate Governance Plan requires the Board to disclosure whether or not performance evaluations were conducted during the relevant reporting period. Due to the size of the Board and the nature of the business, it has not been deemed necessary to institute a formal documented performance review program of individuals. However, the Chairman intends to conduct formal reviews each financial year whereby the performance of the Board as a whole and the individual contributions of each director are reviewed. The Board considers that at this stage of the Company's development an informal process is appropriate. The review will assist to indicate if the Board's performance is appropriate and efficient with respect to the Board Charter. The Board regularly reviews its skill base and whether it remains appropriate for the Company's operational, legal and financial requirements. New Directors are obliged to participate in the Company's induction process, which provides a comprehensive understanding of the Company, its objectives and the market in which the Company operates. Directors are encouraged to avail themselves of resources required to fulfil the performance of their duties.
Recommendation 1.7 A listed entity should: (a) have and disclose a process for periodically evaluating the performance of its senior executives; and (b) disclose in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	YES	(a) (b)	The Board is responsible for evaluating the performance of senior executives. The Board is to arrange an annual performance evaluation of the senior executives. The Company's Corporate Governance Plan requires the Board to conduct annual performance of the senior executives. Schedule 5 'Performance Evaluation' requires the Board to disclose whether or not performance evaluations were conducted during the relevant reporting period. During the financial year an evaluation of performance of the individuals was not formally carried out. However, a general review of the individuals occurs on an on-going basis to ensure that structures suitable to the Company's status as a listed entity are in place.
Principle 2: Structure the board to add value			
Recommendation 2.1 The board of a listed entity should: (a) have a nomination committee which: (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director, and disclose: (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, experience, independence and knowledge of the entity to enable it to discharge its duties and responsibilities effectively.	YES	(a)	The members of the Remuneration and Nominations Committee are Neil Pinner (Chair), Adam Davey and Grant Priest. The Remuneration & Nominations Committee carries out the duties outlined in Schedule 5 of the Company's Corporate Governance Plan available online on the Company's website. The Board devotes time at board meetings to discuss board succession issues. All members of the Board are involved in the Company's nomination process, to the maximum extent permitted under the Corporations Act and ASX Listing Rules. The Board regularly updates the Company's board skills matrix (in accordance with recommendation 2.2) to assess the appropriate balance of skills, experience, independence and knowledge of the entity.



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PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION	
Recommendation 2.2 A listed entity should have and disclose a board skill matrix	YES	Board Skills Matrix	Number of Directors that Meet the Skill
setting out the mix of skills and diversity that the board		Executive & Non- Executive experience	5
currently has or is looking to achieve in its membership.		Industry experience & knowledge	5
		Leadership	5
		Corporate governance & risk management	5
		Strategic thinking	3
		Desired behavioural competencies	5
		Geographic experience	3
		Capital Markets experience	5
		Subject matter expertise:	
		- accounting	3
		- capital management	4
		- corporate financing	3
		- industry taxation	1
		- risk management	4
		- legal	3
		- IT expertise	2
Recommendation 2.3 A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 of the ASX Corporate Governance Principles and Recommendation (3rd Edition), but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director Recommendation 2.4 A majority of the board of a listed entity should be independent directors.	YES	(a) The Board Charter provides for the control Directors considered by the Board the details are provided in the Annual website. (b) The Board Charter requires Directors positions, associations and relationsh independence of Directors is regularly light of the interests disclosed by Directors interests, positions, associated provided in the Annual Reports and Control Directors' terms and requires the light Director to be disclosed. The length of provided in the Annual Report and Control The Board Charter requires that where provided in the Annual Report and Control The Board Charter independent. Details of each Director's independence as Report and Company website.	to be independent. These I Reports and Company to disclose their interest, ips and requires that the vassessed by the Board in Directors. Details of the ions and relationships are impany website. The determination of the ength of service of each discrucion is many website. The actical the majority of the reprovided in the Annual and Company website.
	TES	Board will be a non-executive director. If t	•
The chair of the board of a listed entity should be an independent director and, in particular, should not be the same		independent then the Board will cons	
person as the CEO of the entity.		independent Director. The current Chairma	
Recommendation 2.6	YES	The Board Charter states that a specific resp	· · · · · · · · · · · · · · · · · · ·
A listed entity should have a program for inducting new	123	procure appropriate professional develo	•
directors and providing appropriate professional development		Directors. The Board is responsible for th	
opportunities for continuing directors to develop and maintain		induction and continuing professional de	
the skills and knowledge needed to perform their role as a		procedures for Directors to ensure that the	· · · ·
director effectively.		their responsibilities.	, can encourer, albonaige
Principle 3: Act ethically and responsibly			
Recommendation 3.1	YES	(a) The Corporate Code of Conduct a	
A listed entity should:		directors, senior executives and emplo	yees.
(a) have a code of conduct for its directors, senior executives		(b) The Company's Corporate Code of Co	



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PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
Principle 4: Safeguard integrity in financial reporting	ng	
Recommendation 4.1 The board of a listed entity should: (a) have an audit committee which: (i) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (ii) is chaired by an independent director, who is not the chair of the board, and disclose: (iii) the charter of the committee; (iv) the relevant qualifications and experience of the members of the committee; and (v) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its financial reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.	YES	(a) The members of the Audit and Risk Committee are Grant Priest (Chair), Adam Davey and Brett Graves. The Audit & Risk Committee carries out their duties under a written Charter for that committee. The role and responsibilities of the Audit and Risk Committee are outlined in Schedule 3 of the Company's Corporate Governance Plan available online on the Company's website.
Recommendation 4.2 The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	YES	The Company's Corporate Governance Plan states that a duty and responsibility of the Board is to ensure that before approving the entity's financial statements for a financial period, the CEO and CFO have declared that in their opinion the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.
Recommendation 4.3 A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	YES	The Company's Corporate Governance Plan provides that the Board must ensure the Company's external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.
Principle 5: Make timely and balanced disclosure		
Recommendation 5.1 A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	YES	 (a) The Board Charter provides details of the Company's disclosure policy. In addition, Schedule 6 of the Corporate Governance Plan is entitled 'Disclosure – Continuous Disclosure' and details the Company's disclosure requirements as required by the ASX Listing Rules and other relevant legislation. (b) The Board Charter and Schedule 6 of the Corporate Governance Plan are available on the Company's website.
Principle 6: Respect the rights of security holders		
Recommendation 6.1 A listed entity should provide information about itself and its governance to investors via its website.	YES	Information about the Company and its governance is available in the Corporate Governance Plan which can be found on the Company's website.
Recommendation 6.2 A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	YES	The Company has adopted a Shareholder Communications Strategy which aims to promote and facilitate effective two-way communication with investors. The Shareholder Communications Strategy outlines a range of ways in which information is communicated to shareholders. The Shareholder Communications Strategy can be found in Schedule 9 of the Corporate Governance Plan which is available on the Company's website.



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(YES/NO) YES	The Shareholder Communications Strategy states that as a part of the Company's developing investor relations program, Shareholders can
	register with the Company Secretary to receive email notifications of when an announcement is made by the Company to the ASX, including the release of the Annual Report, half yearly reports and quarterly reports. Links are made available to the Company's website on which all information provided to the ASX is immediately posted. Shareholders are encouraged to participate at all EGMs and AGMs of the Company. Upon the despatch of any notice of meeting to Shareholders, the Company Secretary sends out material with that notice of meeting stating that all Shareholders are encouraged to participate at the meeting.
YES	Security holders can register with the Company to receive email notifications when an announcement is made by the Company to the ASX. Shareholders queries should be referred to the Company Secretary at
	first instance.
YES	(a) The members of the Audit and Risk Committee are Grant Priest (Chair), Adam Davey and Brett Graves. The Audit & Risk Committee carries out the duties under the written Charter for that committee. The role and responsibilities of the Audit and Risk Committee are outlined in Schedule 3 of the Company's Corporate Governance Plan available online on the Company's website. The Board devote time at board meetings to fulfilling the roles and responsibilities associated with overseeing risk and maintaining the entity's risk management framework and associated internal compliance and control procedures.
YES	(a) The Company's processes for risk management and internal compliance includes a requirement to identify and measure risk, monitor the environment for emerging factors and trends that affect these risks, formulate risk management strategies and monitor the performance of risk management systems. Schedule 7 of the Corporate Governance Plan is entitled 'Disclosure – Risk Management' and details the Company's disclosure requirements with respect to the risk management review procedure and internal compliance and controls. (b) The company does not have an internal audit program. The Audit & Risk Committee is responsible for monitoring the effectiveness of the Company's risk management and internal control processes.
YES	Schedule 3 of the Company's Corporate Governance Plan details the Company's risk management systems which assist in identifying and managing potential or apparent business, economic, environmental and social sustainability risks (if appropriate). Review of the Company's risk management framework is conducted at least annually and reports are continually created by management on the efficiency and
	YES



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PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
Principle 8: Remunerate fairly and responsibly		
Recommendation 8.1 The board of a listed entity should: (a) have a remuneration committee which: (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director, and disclose: (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.	YES	The members of the Remuneration & Nominations Committee are Neil Pinner (Chair), Adam Davey and Grant Priest. The Remuneration & Nominations Committee carries out their duties under a written terms of reference for that committee. The role and responsibilities of the Remuneration & Nominations Committee are outlined in Schedule 4 of the Company's Corporate Governance Plan available online on the Company's website. The Board devote time at board meetings to fulfilling the roles and responsibilities associated with setting the level and composition of remuneration for Directors and senior executives and ensuring that such remuneration is appropriate and not excessive.
Recommendation 8.2 A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives and ensure that the different roles and responsibilities of non-executive directors compared to executive directors and other senior executives are reflected in the level and composition of their remuneration.	YES	The Company's Corporate Governance Plan requires the Board to disclose its policies and practices regarding the remuneration of non-executive directors, executive directors and other senior executives.
Recommendation 8.3 A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.	YES	 (a) The Company's Corporate Governance Plan states that the Board is required to review, manage and disclose the policy (if any) on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme. The Board must review and approve any equity based plans. (b) A copy of the Company's Corporate Governance Plan is available on the Company's website.



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Additional Information for Listed Public Companies

The following additional information is required by the Australian Securities Exchange in respect of listed public companies.

1 Capital

a. Ordinary share capital

83,113,909 ordinary fully paid shares held by 411 shareholders.

b. Unlisted Options over Unissued Shares

Subsequent to the reporting date, the Company issued the following unlisted options for ordinary shares: 1,000,000 options exercisable at 12 cents and expiring 31 July 2020; 3,000,000 options exercisable at 9.2 cents and expiring 31 July 2020; and 6,097,314 options exercisable at 8 cents and expiring 31 July 2020. These options were issued in connection with the Entitlement Offer Prospectus dated 6 June 2017 (9,097,314 options) and in connection with a short-term loan agreement (1,000,000 options).

c. Convertible notes and converting loans

The Company raised \$3m (13,636,366 notes) via a convertible notes issue on 11 July 2016 at a conversion price of \$0.22 per note. The conversion price was reduced to \$0.08 following the entitlement issue conducted as per the prospectus dated 6 June 2017. Each note entitles the holder to convert to one ordinary share. Conversion may occur at any time for a period of three years from the subscription date. If the notes have not been converted, they will be redeemed at this point. Interest of 8% will be paid quarterly up until the settlement date.

d. Performance Rights

The Company has:

- 6,500,000 Performance Rights Class A (Class A Rights) on issue. Upon the Company achieving the target share price of \$0.80, based on a 30 day volume weighted average share price, within 5 years, the Class A Rights will vest, entitling the holder or his nominee to 1 fully paid ordinary share in the Company per vested Class A Right.
- 500,000 Performance Rights Class B (Class B Rights) on issue. Class B Rights will vest on the introduction to, and entry into an agreement with, a strategic partner to the Company which results directly or indirectly in a material increase in the Company's revenue or otherwise increases the value of the Company, at the discretion of the Board of the Company.

e. Partly Paid Shares

The Company has the following:

8,000,000 Partly Paid Shares issued at a price of 20 cents of which 0.01 of one cent is paid on issue with the balance payable, at the election of the holder, any time within five years from the date of Shareholder approval of the special resolution, being 30 November 2020.

f. Voting Rights

The voting rights attached to each class of equity security are as follows:

- Ordinary shares: Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.
- Unlisted Options and Performance Rights: Options and performance rights do not entitle the holders to vote nor participate in dividends, when declared, until such time as the options are exercised and subsequently registered as ordinary shares.

g. Substantial Shareholders as at 18 September 2017.

Name	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
Mr Stefan Hicks	16,369,044	19.69
Mr Stefan Hicks <hicks a="" c="" family=""></hicks>	9,515,962	11.45
Mr Brett Graves + Mrs Kerrie Graves < B & K Graves Family A/C>	4,181,809	5.03



AND CONTROLLED ENTITIES
ABN 80 148 142 634

Additional Information for Listed Public Companies

h. Distribution of Shareholders as at 18 September 2017.

Category (size of holding)	Total Holders	Number Ordinary	% Held of Issued Ordinary Capital
1 – 1,000	10	1,317	0.00
1,001 – 5,000	3	14,546	0.02
5,001 – 10,000	85	836,025	1.00
10,001 – 100,000	210	8,880,877	10.69
100,001 – and over	103	73,381,097	88.29
	411	83,113,862	100.00

Unmarketable Parcels as at 18 September 2017.

As at 18 September 2017 there were 10 fully paid ordinary shareholders holding less than a marketable parcel of shares.

j. On-Market Buy-Back

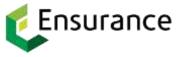
There is no current on-market buy-back.

k. Restricted Securities

The Company has 28,750,000 shares on escrow to 6 May 2018.

l. 20 Largest Shareholders — Ordinary Shares as at as at 18 September 2017

1. Mr Stefan Hicks 16,369,044 19.69 2. Mr Stefan Hicks <hicks a="" c="" family=""> 9,515,962 11.45 3. Mr Brett Graves + Mrs Kerrie Graves <b &="" a="" c="" family="" graves="" k=""> 4,181,809 5.03 4. Kalonda Pty Ltd <leibowitz a="" c="" fund="" super=""> 2,633,722 3.17 5. Church Street Trustees Limited <the a="" c="" matlas=""> 2,000,000 2.41 6. 4edwardstaff Pty Ltd <mgh a="" c="" fund="" super=""> 1,783,818 2.15 7. Nutsville Pty Ltd <indust a="" c="" co="" electric="" f="" s=""> 1,682,822 2.02 8. Mr Richard Anthony De Souza + Mrs Karen Louise De Souza <de a="" c="" fund="" souza="" super=""> 1,630,000 1.96 9. Yeters Super Fund a/C> 1,250,000 1.50 10. Kli Pty Ltd <the a="" c="" f="" kli="" s="" staff=""> 1,250,000 1.50 11. Thornbury Nominees Pty Ltd <the a="" c="" f="" family="" s="" stevens=""> 1,123,000 1.35 11. Inswinger Holdings Pty Ltd <keidon< td=""> 1,038,545 1.25 12. Museum Investments Limited 1,000,000 1.20 Mr Allan Graham Jenzen + Mrs Elizabeth Jenzen <ag< td=""> 930,181 1.12 8 E Jenzen p/I no2 sf a/c> 2 837,500<!--</th--><th>Rank</th><th>Name</th><th>Number of Ordinary Fully Paid Shares Held</th><th>% Held of Issued Ordinary Capital</th></ag<></keidon<></the></the></de></indust></mgh></the></leibowitz></hicks>	Rank	Name	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
3. Mr Brett Graves + Mrs Kerrie Graves < 8 & K Graves Family A/C> 4,181,809 5.03 4. Kalonda Pty Ltd < Leibowitz Super Fund A/C> 2,633,722 3.17 5. Church Street Trustees Limited < The Matlas A/C> 2,000,000 2.41 6. 4edwardstaff Pty Ltd < Mgh Super Fund A/C> 1,783,818 2.15 7. Nutsville Pty Ltd < Indust Electric Co S/F A/C> 1,682,822 2.02 8. Mr Richard Anthony De Souza + Mrs Karen Louise De Souza < De Souza	1.	Mr Stefan Hicks	16,369,044	19.69
4. Kalonda Pty Ltd <leibowitz a="" c="" fund="" super=""> 2,633,722 3.17 5. Church Street Trustees Limited <the a="" c="" matlas=""> 2,000,000 2.41 6. 4edwardstaff Pty Ltd <mgh a="" c="" fund="" super=""> 1,783,818 2.15 7. Nutsville Pty Ltd <indust a="" c="" co="" electric="" f="" s=""> 1,682,822 2.02 8. Mr Richard Anthony De Souza + Mrs Karen Louise De Souza <de souza<="" td=""> 1,630,000 1.96 Super Fund A/C> Mr Robert John Peters + Mrs Sandra Lillian Peters 1,454,545 1.75 9. Peters Super Fund a/c> 1,250,000 1.50 11. Thornbury Nominees Pty Ltd <the a="" c="" f="" family="" s="" stevens=""> 1,123,000 1.35 11. Thornbury Nominees Pty Ltd <keidon< td=""> 1,038,545 1.25 12. Superannuation a/c> 1,038,545 1.25 13. Museum Investments Limited 1,000,000 1.20 Mr Allan Graham Jenzen + Mrs Elizabeth Jenzen <ag< td=""> 930,181 1.12 14. & E Jenzen p/l no2 sf a/c> 1.12 1.12 15. Continental Global Investment Limited 917,766 1.10 16. Fidan Holdings Pty Ltd <fleischer a="" c="" fund="" super=""> 837,500 1.01 17. FM Wolf Pty Ltd <f a="" c="" fund="" m="" super="" wolf=""> 837,500 1.01 <</f></fleischer></ag<></keidon<></the></de></indust></mgh></the></leibowitz>	2.	Mr Stefan Hicks <hicks a="" c="" family=""></hicks>	9,515,962	11.45
5. Church Street Trustees Limited <the a="" c="" matlas=""> 2,000,000 2.41 6. 4edwardstaff Pty Ltd <mgh a="" c="" fund="" super=""> 1,783,818 2.15 7. Nutsville Pty Ltd <indust a="" c="" co="" electric="" f="" s=""> 1,682,822 2.02 8. Mr Richard Anthony De Souza + Mrs Karen Louise De Souza <de a="" c="" fund="" souza="" super=""> 1,630,000 1.96 9. Verters Super Fund A/C> 1,454,545 1.75 10. Kli Pty Ltd <the a="" c="" f="" kli="" s="" staff=""> 1,250,000 1.50 11. Thornbury Nominees Pty Ltd <the a="" c="" f="" family="" s="" stevens=""> 1,123,000 1.35 1nswinger Holdings Pty Ltd <keidon< td=""> 1,038,545 1.25 13. Museum Investments Limited 1,000,000 1.20 Mr Allan Graham Jenzen + Mrs Elizabeth Jenzen <ag< td=""> 930,181 1.12 15. Continental Global Investment Limited 917,766 1.10 16. Fidan Holdings Pty Ltd <fleischer a="" c="" fund="" super=""> 837,500 1.01 17. FM Wolf Pty Ltd <f a="" c="" fund="" m="" super="" wolf=""> 837,500 1.01 18. Tabachnik Super Pty Ltd <j &="" a="" c="" dekker="" family="" tw=""> 778,181 0.94 Perncastle Holdings Pty Ltd <n a="" c="" fund="" j="" pinner="" super=""> 738,181 0.89</n></j></f></fleischer></ag<></keidon<></the></the></de></indust></mgh></the>	3.	Mr Brett Graves + Mrs Kerrie Graves < B & K Graves Family A/C>	4,181,809	5.03
6. 4edwardstaff Pty Ltd <mgh a="" c="" fund="" super=""> 1,783,818 2.15 7. Nutsville Pty Ltd <indust a="" c="" co="" electric="" f="" s=""> 1,682,822 2.02 8. Mr Richard Anthony De Souza + Mrs Karen Louise De Souza <de a="" c="" fund="" souza="" super=""> 1,630,000 1.96 9. Mr Robert John Peters + Mrs Sandra Lillian Peters - Peters Super Fund A/C> 1,250,000 1.50 10. Kli Pty Ltd <the a="" c="" f="" kli="" s="" staff=""> 1,250,000 1.50 11. Thornbury Nominees Pty Ltd <the a="" c="" f="" family="" s="" stevens=""> 1,123,000 1.35 11. Thornbury Nominees Pty Ltd <the a="" c="" f="" family="" s="" stevens=""> 1,038,545 1.25 12. Superannuation a/c> 1,038,545 1.25 13. Museum Investments Limited 1,000,000 1.20 14. & E Jenzen p/l no2 sf a/c> 930,181 1.12 15. Continental Global Investment Limited 917,766 1.10 16. Fidan Holdings Pty Ltd <fleischer a="" c="" fund="" super=""> 837,500 1.01 17. FM Wolf Pty Ltd <f a="" c="" fund="" m="" super="" wolf=""> 837,500 1.01 18. Tabachnik Super Pty Ltd <j &="" a="" c="" dekker="" family="" tw=""> 778,181 0.94 19.</j></f></fleischer></the></the></the></de></indust></mgh>	4.	Kalonda Pty Ltd <leibowitz a="" c="" fund="" super=""></leibowitz>	2,633,722	3.17
7. Nutsville Pty Ltd <indust a="" c="" co="" electric="" f="" s=""> 1,682,822 2.02 8. Super Fund A/C> 1,630,000 1.96 9. Are Richard Anthony De Souza + Mrs Karen Louise De Souza < De Souza</indust>	5.	Church Street Trustees Limited <the a="" c="" matlas=""></the>	2,000,000	2.41
8. Mr Richard Anthony De Souza + Mrs Karen Louise De Souza < De Souza	6.	4edwardstaff Pty Ltd <mgh a="" c="" fund="" super=""></mgh>	1,783,818	2.15
8. Super Fund A/C> 1.96 9. Mr Robert John Peters + Mrs Sandra Lillian Peters 1,454,545 1.75 10. Kli Pty Ltd <the a="" c="" f="" kli="" s="" staff=""> 1,250,000 1.50 11. Thornbury Nominees Pty Ltd <the a="" c="" f="" family="" s="" stevens=""> 1,123,000 1.35 12. Inswinger Holdings Pty Ltd <keidon< td=""> 1,038,545 1.25 13. Museum Investments Limited 1,000,000 1.20 Mr Allan Graham Jenzen + Mrs Elizabeth Jenzen <ag< td=""> 930,181 1.12 14. & E Jenzen p/l no2 sf a/c> 1.12 15. Continental Global Investment Limited 917,766 1.10 16. Fidan Holdings Pty Ltd <fleischer a="" c="" fund="" super=""> 837,500 1.01 17. FM Wolf Pty Ltd <f a="" c="" fund="" m="" super="" wolf=""> 837,500 1.01 18. Tabachnik Super Pty Ltd <tabachnik a="" c="" fund="" super=""> 778,181 0.94 19. J & TW Dekker Pty Ltd <j &="" a="" c="" dekker="" family="" tw=""> 738,181 0.89</j></tabachnik></f></fleischer></ag<></keidon<></the></the>	7.	Nutsville Pty Ltd <indust a="" c="" co="" electric="" f="" s=""></indust>	1,682,822	2.02
9.	8.	,	1,630,000	1.96
11. Thornbury Nominees Pty Ltd <the a="" c="" f="" family="" s="" stevens=""> 1,123,000 1.35 12. Inswinger Holdings Pty Ltd <keidon< td=""> 1,038,545 1.25 13. Museum Investments Limited 1,000,000 1.20 Mr Allan Graham Jenzen + Mrs Elizabeth Jenzen <ag< td=""> 930,181 1.12 14. & E Jenzen p/I no2 sf a/c> 917,766 1.10 15. Continental Global Investment Limited 917,766 1.10 16. Fidan Holdings Pty Ltd <fleischer a="" c="" fund="" super=""> 837,500 1.01 17. FM Wolf Pty Ltd <f a="" c="" fund="" m="" super="" wolf=""> 837,500 1.01 18. Tabachnik Super Pty Ltd <tabachnik a="" c="" fund="" super=""> 837,500 1.01 19. J & TW Dekker Pty Ltd <j &="" a="" c="" dekker="" family="" tw=""> 778,181 0.94 20. Ferncastle Holdings Pty Ltd <n a="" c="" fund="" j="" pinner="" super=""> 738,181 0.89</n></j></tabachnik></f></fleischer></ag<></keidon<></the>	9.		1,454,545	1.75
Inswinger Holdings Pty Ltd <keidon 1,038,545="" 1.25="" td="" ="" <=""><td>10.</td><td>Kli Pty Ltd <the a="" c="" f="" kli="" s="" staff=""></the></td><td>1,250,000</td><td>1.50</td></keidon>	10.	Kli Pty Ltd <the a="" c="" f="" kli="" s="" staff=""></the>	1,250,000	1.50
12. Superannuation a/c> 1.25 13. Museum Investments Limited	11.	Thornbury Nominees Pty Ltd <the a="" c="" f="" family="" s="" stevens=""></the>	1,123,000	1.35
Mr Allan Graham Jenzen + Mrs Elizabeth Jenzen <ag< td=""> 930,181 1.12 14. & E Jenzen p/l no2 sf a/c> 917,766 1.10 15. Continental Global Investment Limited 917,766 1.10 16. Fidan Holdings Pty Ltd <fleischer a="" c="" fund="" super=""> 837,500 1.01 17. FM Wolf Pty Ltd <f a="" c="" fund="" m="" super="" wolf=""> 837,500 1.01 18. Tabachnik Super Pty Ltd <tabachnik a="" c="" fund="" super=""> 837,500 1.01 19. J & TW Dekker Pty Ltd <j &="" a="" c="" dekker="" family="" tw=""> 778,181 0.94 20. Ferncastle Holdings Pty Ltd <n a="" c="" fund="" j="" pinner="" super=""> 738,181 0.89</n></j></tabachnik></f></fleischer></ag<>	12.		1,038,545	1.25
14. & E Jenzen p/l no2 sf a/c> 1.12 15. Continental Global Investment Limited 917,766 1.10 16. Fidan Holdings Pty Ltd <fleischer a="" c="" fund="" super=""> 837,500 1.01 17. FM Wolf Pty Ltd <f a="" c="" fund="" m="" super="" wolf=""> 837,500 1.01 18. Tabachnik Super Pty Ltd <tabachnik a="" c="" fund="" super=""> 837,500 1.01 19. J & TW Dekker Pty Ltd <j &="" a="" c="" dekker="" family="" tw=""> 778,181 0.94 20. Ferncastle Holdings Pty Ltd <n a="" c="" fund="" j="" pinner="" super=""> 738,181 0.89</n></j></tabachnik></f></fleischer>	13.	Museum Investments Limited	1,000,000	1.20
16. Fidan Holdings Pty Ltd <fleischer a="" c="" fund="" super=""> 837,500 1.01 17. FM Wolf Pty Ltd <f a="" c="" fund="" m="" super="" wolf=""> 837,500 1.01 18. Tabachnik Super Pty Ltd <tabachnik a="" c="" fund="" super=""> 837,500 1.01 19. J & TW Dekker Pty Ltd <j &="" a="" c="" dekker="" family="" tw=""> 778,181 0.94 20. Ferncastle Holdings Pty Ltd <n a="" c="" fund="" j="" pinner="" super=""> 738,181 0.89</n></j></tabachnik></f></fleischer>	14.		930,181	1.12
17. FM Wolf Pty Ltd <f a="" c="" fund="" m="" super="" wolf=""> 837,500 1.01 18. Tabachnik Super Pty Ltd <tabachnik a="" c="" fund="" super=""> 837,500 1.01 19. J & TW Dekker Pty Ltd <j &="" a="" c="" dekker="" family="" tw=""> 778,181 0.94 20. Ferncastle Holdings Pty Ltd <n a="" c="" fund="" j="" pinner="" super=""> 738,181 0.89</n></j></tabachnik></f>	15.	Continental Global Investment Limited	917,766	1.10
18. Tabachnik Super Pty Ltd <tabachnik a="" c="" fund="" super=""> 19. J & TW Dekker Pty Ltd <j &="" a="" c="" dekker="" family="" tw=""> 778,181 0.94 20. Ferncastle Holdings Pty Ltd <n a="" c="" fund="" j="" pinner="" super=""> 738,181 0.89</n></j></tabachnik>	16.	Fidan Holdings Pty Ltd <fleischer a="" c="" fund="" super=""></fleischer>	837,500	1.01
19. J & TW Dekker Pty Ltd <j &="" a="" c="" dekker="" family="" tw=""> 778,181 0.94 20. Ferncastle Holdings Pty Ltd <n a="" c="" fund="" j="" pinner="" super=""> 738,181 0.89</n></j>	17.	FM Wolf Pty Ltd <f a="" c="" fund="" m="" super="" wolf=""></f>	837,500	1.01
20. Ferncastle Holdings Pty Ltd <n a="" c="" fund="" j="" pinner="" super=""> 738,181 0.89</n>	18.	Tabachnik Super Pty Ltd <tabachnik a="" c="" fund="" super=""></tabachnik>	837,500	1.01
736,161	19.	J & TW Dekker Pty Ltd <j &="" a="" c="" dekker="" family="" tw=""></j>	778,181	0.94
	20.	Ferncastle Holdings Pty Ltd <n a="" c="" fund="" j="" pinner="" super=""></n>	738,181	0.89
TOTAL 51,540,076 62.01		TOTAL	51,540,076	62.01



Additional Information for Listed Public Companies

2 The name of the Company Secretary is Sam Hallab.

3 Principal registered office

As disclosed in Note 2 'Company details' on page 33 of this Annual Report.

4 Registers of securities

As disclosed in the Corporate directory on page i of this Annual Report.

5 Stock exchange listing

Quotation has been granted for all the ordinary shares of the Company on all Member Exchanges of the Australian Securities Exchange Limited, as disclosed in the Corporate directory on page i of this Annual Report.

6 Use of funds

The Company has used its funds in accordance with its initial business objectives.



