



Australian Stock Exchange
20 Bridge Street
Sydney, NSW, 2000, Australia

26 August 2019

Re: Reissued Half-Year Financial Report

Dear Sirs,

The Directors hereby present the attached Reissued half year financial report for Ensurance Limited, in respect of the half year ended 31 December 2018, dated 26 August 2019. The previously issued financial statements of Ensurance Limited for the half year ended 31 December 2018 dated 27 February 2019 are hereby withdrawn and are replaced by these financial statements.

The Directors have determined that the revision was necessary as a result of a reassessment of the revenue recognition policy in accordance with the newly effective AASB 15 Revenue from Contracts with Customers. This reassessment has directly impacted the amount of revenue recognised for the half year ended 31 December 2018 and was identified as a result of ongoing procedures connected with the audit of our current annual financial report.

The financial impact of this reassessment is outlined in detail in Note 2 in the reissued financial statements, and have the net impact of increasing revenue for the half year by \$195,189.

Yours faithfully,

A handwritten signature in black ink that reads 'A.H. Leibowitz'.

AH Leibowitz
Director
Ensurance Ltd

ENSURANCE LIMITED

ACN 148 142 634

Appendix 4D
Half-Year Report Period
Results for announcement to the market
Reporting Periods

Current period:	Period ended 31 December 2018
Previous corresponding period:	Period ended 31 December 2017

				31 December 2018 \$'000s	31 December 2017 \$'000s
	Percentage Change				
Revenue from ordinary activities	Up	82%	to	1,047	576
Other Income	Up	2500%	to	52	2
Loss from ordinary activities after tax	Down	52%	to	(2,686)	(5,585)
Net profit for the period attributable to members	Up	637%	to	1,041	(5,585)
EBITDA	Up	340%	to	1,176	(2,827)

Dividends
Current period:

	Amount per security \$	Franked amount \$
Interim Dividend	Nil	N/A
Date the Dividend is Payable:	N/A	N/A
Record Date for determining entitlements to the Dividend:	N/A	N/A

Previous corresponding period:

Interim Dividend	Nil	N/A
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Net Tangible Assets per Security

				31 December 2018 ¢	30 June 2018 ¢
Net tangible asset backing per ordinary share	Down	NA	to	(0.038)	(0.000)

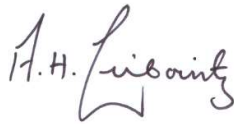
Details of entities over which control has been gained or lost during the period

Disposed of 100% of share capital of Savill Hicks Corp Pty Ltd on 12 November 2018.

Results for announcement to the market

Commentary on Results

Commentary on the results for the reporting period can be found in the Directors' Report and the interim consolidated financial statements for the half-year ended 31 December 2018.

**TONY LEIBOWITZ**

Chairman

Dated this Monday, 26 August 2019



INTERIM FINANCIAL REPORT

for the half-year ended 31 December 2018

The information contained in this interim report is to be read in conjunction with Ensurance Limited's 2018 annual report and any public announcements to the market by Ensurance Limited during the half-year ended 31 December 2018, in accordance with the continuous disclosure requirements of the Corporations Act 2001.

Corporate directory**CURRENT DIRECTORS**

Tony Leibowitz	<i>Executive Chairman</i>	Appointed 29 September 2017
Adam Davey	<i>Non-executive Director</i>	Appointed 17 August 2012
Tony Wehby	<i>Non-executive Director</i>	Appointed 3 May 2018

COMPANY SECRETARY

Sam Hallab (appointed 1 February 2017)

REGISTERED OFFICE & PRINCIPAL PLACE OF BUSINESS

Street: Level 5/68 Alfred Street
Milsons Point NSW 2061

Postal: PO Box 483
Milsons Point NSW 1565

Telephone: +61 (0)2 8070 1800

Website: www.ensurance.com.au

SHARE REGISTRY

Computershare Investor Services Pty Limited
Level 11, 172 St Georges Terrace
PERTH WA 6000

Telephone: 1300 850 505 (investors within Australia)
Telephone: +61 (0)3 9415 4000

Email: web.queries@computershare.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](#)

SOLICITORS TO THE COMPANY

Steinepreis Paganin
Level 4, The Read Buildings, 16 Milligan Street
PERTH WA 6000









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

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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 half-year ended 31 December 2018.

1. Directors

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

	Mr Tony Leibowitz	Executive Chairman
	Mr Adam Davey	Non-Executive Director
	Mr Tony Wehby	Non-Executive Director

Directors have been in office since the start of the half-year to the date of this report unless otherwise stated.

2. Operating and financial review

During the half-year ended 31 December 2018 the Company achieved the following outcomes:

The continued investment in the expansion of the business in Australia and in the United Kingdom has seen positive momentum during this reporting period, as reflected below.

Disposal of Australian Brokerage Business complete

In line with the Company's strategic plans to reposition itself as a Managing General Agent in the UK and Australia, the Company completed the sale of Savill Hicks Corp Pty Ltd, receiving total contractual consideration of \$4.1 million upon settlement on 12 November 2018. The sale follows receipt of shareholder approval at the Company's General Meeting held on 12 September 2018 and results in the disposal of the entire Australian brokerage business. The sale allows the Company to redeploy capital to support its long term growth plans, with the appointment of specialised underwriting resources, expansion of the Company's product offering and investment in sales and marketing to grow its international presence.

Recent Appointments Support New Product Development and Growth

The Company made a number of strategic hires during the half-year to support new product development and long-term growth for both its Australian and UK operations.

On 1 November 2018, Mr Tim Cramphorn joined the Board of the Company's wholly-owned subsidiary, Ensurance UK as a Non-Executive Director. Tim brings over 45 years' of commercial experience and insurance expertise to the Company's UK operations, and was the former Managing Director of Munich Re owned HSB Haughton Engineering Insurance Services Limited and a Director of HSB Engineering Insurance Limited. Tim's deep expertise and extensive network of industry contacts will provide valuable insights and highly complementary skills to the UK's leadership team.

The Company also made a number of strategic hires to support new product development both across the UK and Australian businesses. During the half-year, the Company bolstered its Australian team, appointing a senior underwriter for Marine Risks – tasked with establishing the Company's Marine Risk offering over the next six months and a dedicated business development manager who will focus on driving the Company's expansion in the NSW construction market.

Ensurance UK also further strengthened its underwriting team with the appointment of a Casualty and Construction Underwriting lead during the period.

Ensurance UK launches new specialist insurance products

During the half-year, Ensurance UK launched three new products, adding to its portfolio of specialist insurance products that address niche and specialist markets.

The launch of a new cyber insurance product, underwritten by a specialist Lloyds Syndicate, is designed to minimise business disruption caused by a cyber-attack or data breach to enable policyholders to return to business as usual as quickly as possible following an incident. Available to any policyholder responsible for handling customer data, the product provides access to a comprehensive data breach response service, as well as coverage for first and third-party liability, cyber extortion, data protection loss and business interruption.

The product is the first of a number of new lines of business the Company is looking to enter, with a specialised insurance offering that serves emerging and underserved markets.

Directors' report

The Company also launched two specialist construction and engineering insurance products in the UK – Latent Defects Insurance for the UK commercial sector construction market and Engineering and Inspection insurance. Both products further extend the Company's specialist construction and engineering insurance offering, in line with the Company goal to become a 'one-stop-shop' for construction risk protection.

Corporate Website Relunched

The Company relunched its corporate website to better reflect the repositioned business and provide clarity for both customers and investors and reflects the broader commitment made by the Board and leadership team to expand the Company's footprint and build out its specialist insurance offering.

Relocation to new office premises

Ensurance completed its Australian corporate office relocation in December 2018 to Level 5, 68 Alfred Street, Milsons Point, NSW, 2061, with the move delivering further savings in corporate overheads from next quarter.

Discontinuation of Householder insurance facility

Ensurance Underwriting Australia will discontinue its Householder insurance facility from 1 July 2019. The facility deals specifically with home, content and accidental damage and is provided solely to the now disposed Australian brokerage business. Under the sale agreement of Savill Hicks Corp (SHC), Ensurance will continue to underwrite the Householder product under revised commercial arrangements, until latest 30 June 2019, while SHC source an alternative capacity provider. Ensurance Underwriting Australia will manage the run-off of these policies for the 12 months after 30 June 2019.

Ensurance finalises restructure of IT arm

The Company's wholly-owned subsidiary, Ensurance IT Pty Ltd, completed its restructuring activities at the end of October 2018. Headcount has been reduced by 50%, delivering cost efficiencies.

Recognition for expertise and excellence at Insurance Day London

The Company was awarded Highly Commended Underwriting Team of the Year and MGA Initiative of the Year at the Insurance Day London Market Awards held in November 2018.

The award recognises the expertise, entrepreneurial flair and excellence for which Ensurance UK is renowned in the London market. More than 50 finalists and 15 winners were recognised at the awards, with judges noting the decision-making process was extremely difficult due to the number of highly qualified participants.

2.1. Financial Review

a. Operating results

For the six months ended 31 December 2018, revenue from continuing operations increased by 82% on the prior comparative period. Net profit attributable to members for the half-year was \$1,040,783, an improvement of \$6,625,662 on the loss for the prior comparative period (2017: \$5,584,879 loss). Excluding \$3.65 million in relation to the sale of Savill Hicks Corp, the Company made an underlying loss of \$2,607,131 (2018 - \$5,584,879 loss) for the half-year. Several main factors contributed to the reduction in losses on the prior comparative period:

- ▶ An increase in revenue of \$418,945, driven by the growth in the UK business
- ▶ Decreases in operating expenditure of \$715,207, driven by cost saving initiatives implemented during the period
- ▶ The impact of a one-off impairment of intangible assets of \$2.007m in the prior comparative period.

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 1 "Statement of significant accounting policies" in paragraph 1a.iii – Financial position, on page 10.

b. Financial position

The net assets of the Group have decreased from 30 June 2018 by \$119,271 to a net deficiency of \$120,049 at 31 December 2018 (June 2018: \$778 net deficiency).

As at 31 December 2018, the Group's cash and cash equivalents decreased from 30 June 2018 by \$721,125 to \$2,482,354 at 31 December 2018 (June 2018: \$3,203,479) and had a working capital surplus of \$2,030,940 (June 2018: \$1,401,835 working capital surplus).

Directors' report**2.2. Events Subsequent to Reporting Date**

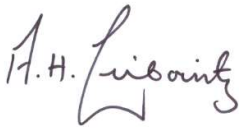
There are no other significant after balance date events that are not covered in this Directors' Report or within the financial statements at Note 21 "Events subsequent to reporting date", on page 23.

2.3. 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.

3. Auditor's independence declaration

The lead auditor's independence declaration under section 307C of the *Corporations Act 2001* (Cth) for the half-year ended 31 December 2018 has been received and can be found on page 4 of the Interim Financial Report.

**TONY LEIBOWITZ**

Chairman

Dated this Monday, 26 August 2019

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 half-year ended 31 December 2018, 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



Rose Megale
Director

Dated in Sydney, this 26th day of August 2019.

Consolidated statement of profit or loss and other comprehensive income

for half-year ended 31 December 2018

	Note	31 December 2018 \$	31 December 2017 \$
Continuing operations			
Revenue from ordinary activities	2	995,316	576,371
Other income	2	52,019	2,034
		1,047,335	578,405
Business development		(104,067)	(180,602)
Compliance costs		(90,631)	(115,287)
Computers and communications		(184,814)	(220,806)
Depreciation and amortisation	3	(26,949)	(157,428)
Employment costs	3	(2,505,417)	(2,658,707)
Finance costs	3	(189,072)	(595,905)
Impairment of Intangible Assets	1cii, 11	-	(2,007,461)
Legal and consulting fees		(157,080)	(233,152)
Occupancy costs		(321,584)	(153,557)
Travel and accommodation		(52,594)	(44,064)
Other expenses		(100,634)	(88,541)
Loss before tax		(2,685,507)	(5,877,105)
Income tax benefit		-	-
Loss for the half-year from continuing operations		(2,685,507)	(5,877,105)
Profit from discontinued operations	22	78,376	292,226
Gain on disposal of discontinued operation	22	3,647,914	-
Total net profit/(loss) for the half-year		1,040,783	(5,584,879)
Other comprehensive income, net of income tax			
Items that will not be reclassified subsequently to profit or loss:			
► Revaluation of assets		-	-
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive profit/(loss) attributable to members of the parent entity		1,040,783	(5,584,879)
Earnings per share:			
Basic and diluted profit/(loss) per share (cents per share)	4c	0.33	(3.65)

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

INTERIM FINANCIAL REPORT

31 December 2018

ENSURANCE LIMITED

AND CONTROLLED ENTITIES

ABN 80 148 142 634

Consolidated statement of financial position

as at 31 December 2018

	Note	31 December 2018 \$	30 June 2018 \$
Current assets			
Cash and cash equivalents	5	2,482,354	3,203,479
Trade and other receivables	6	483,410	823,087
Trust account insurer assets	8a	5,812,464	3,672,347
Other current assets	7	164,237	202,960
Total current assets		8,942,465	7,901,873
Non-current assets			
Financial assets	9	74,375	70,204
Plant and equipment	10	157,986	180,788
Intangible assets	11	-	-
Total non-current assets		232,361	250,992
Total assets		9,174,826	8,152,865
Current liabilities			
Trade and other payables	12	884,838	2,051,180
Trust account insurer liabilities	8b	5,812,464	3,672,347
Provisions	14	194,449	309,223
Borrowings	13	19,774	467,288
Total current liabilities		6,911,525	6,500,038
Non-current liabilities			
Provisions	14	29,317	28,889
Borrowings	13	2,354,033	2,583,632
Total non-current liabilities		2,383,350	2,612,521
Total liabilities		9,294,875	9,112,559
Net liabilities of continued operations		(120,049)	(959,694)
Net assets of discontinued operations		-	958,916
Net (liabilities)		(120,049)	(778)
Equity			
Issued capital	15	16,301,785	17,527,964
Reserves	16	1,433,873	1,545,350
Accumulated losses		(17,855,707)	(19,074,092)
Total equity		(120,049)	(778)

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

Consolidated statement of changes in equity
for the half-year ended 31 December 2018

Note	Issued Capital \$	Accumulated Losses \$	Share- Based Payment Reserve \$	Share Option Reserve \$	Revalr Reserve \$	Foreign Currency Translation Reserve \$	Option Premium on Convertible Notes \$	Total \$
Balance at 1 July 2017	7,210,755	(10,366,687)	8,980	838,242	11,488	-	298,383	(1,998,839)
Loss for the half-year attributable owners of the parent	-	(5,584,879)	-	-	-	-	-	(5,584,879)
Other comprehensive income for the half-year attributable owners of the parent	-	-	-	-	-	-	-	-
Total comprehensive loss for the half-year attributable owners of the parent	-	(5,584,879)	-	-	-	-	-	(5,584,879)
Transaction with owners, directly in equity								
Shares issued during the half-year	15a 3,500,000	-	-	-	-	-	-	3,500,000
Transaction costs	(225,665)	-	-	-	-	-	(29,271)	(254,936)
Share options issued during the half-year	-	-	-	470,710	-	-	-	470,710
Movement in half-year	-	-	-	-	(49,592)	-	-	(49,592)
Balance at 31 December 2017	10,485,090	(15,951,566)	8,980	1,308,952	11,488	(49,592)	269,112	(3,917,536)

INTERIM FINANCIAL REPORT

31 December 2018

ENSURANCE LIMITED

AND CONTROLLED ENTITIES

ABN 80 148 142 634

Note	Issued Capital \$	Accumulated Losses \$	Share-Based Payment Reserve \$	Share Option Reserve \$	Reval'n Reserve \$	Foreign Currency Translation Reserve \$	Option Premium on Convertible Notes \$	Total \$
Balance at 30 June 2018	17,527,964	(19,074,092)	8,980	1,308,952	12,793	(54,487)	269,112	(778)
Impact due to change in accounting standard*	-	177,602	-	-	-	60,915	-	238,517
Adjusted balance at 1 July 2018	17,527,964	(18,896,490)	8,980	1,308,952	12,793	6,428	269,112	237,739
Profit for the half-year attributable owners of the parent	-	1,040,783	-	-	-	-	-	1,040,783
Other comprehensive income for the half-year attributable owners of the parent	-	-	-	-	-	-	-	-
Total comprehensive loss for the half-year attributable owners of the parent	-	1,040,783	-	-	-	-	-	1,040,783
Transaction with owners, directly in equity								
Shares cancelled during the half-year	15a (1,205,636)	-	-	-	-	-	-	(1,205,636)
Transaction costs	(20,543)	-	-	(154,612)	-	-	-	(175,155)
Share options issued during the half-year	-	-	-	498	-	-	-	498
Translation of Ensurance UK ledger	-	-	-	-	-	(5,685)	-	(5,685)
Derecognised on disposal of discontinued operation					(12,593)			(12,593)
Balance at 31 December 2018	16,301,785	(17,855,707)	8,980	1,154,838	200	743	269,112	(120,049)

*The Group adopted AASB 15 Revenue from Contracts with Customers using the cumulative effect method. This resulted in a credit of \$177,602 to retained earnings and \$60,915 to reserves at 1 July 2018, being the cumulative effect on initial application of the standard. As permitted by the new accounting standard, the comparative results for the year ended 30 June 2018 are not restated.

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

Consolidated statement of cash flows
for the half-year ended 31 December 2018

		31 December 2018 \$	31 December 2017 \$
Cash flows from operating activities			
Receipts from customers		1,188,736	684,595
Interest received		78,745	3,808
Interest and borrowing costs paid		(10,671)	(313,863)
Payments to suppliers and employees		(4,014,057)	(4,382,528)
Payments of income tax		-	-
Net cash used in operating activities		(2,757,247)	(4,007,988)
Cash flows from investing activities			
Proceeds from asset development grant		-	342,285
Proceeds from disposal of discontinued operation	22	1,999,011	-
Payment for development of software		-	(213,721)
Payment for financial assets		(3,636)	-
Loans repaid to other entities		(223,660)	-
Purchase of plant and equipment		-	(155,667)
Net cash used in investing activities		1,771,715	(27,103)
Cash flows from financing activities			
Net repayment of borrowings		(115,202)	(359,118)
Proceeds from issue of convertible notes		-	-
Payment of interest on convertible notes		(123,726)	(122,416)
Proceeds of rights issue received from underwriter		503,335	1,334,810
Proceeds from placement of shares		-	3,500,000
Payment of underwriter and other fees related to placement of shares		-	(257,300)
Net cash provided by financing activities		264,407	4,095,976
Net(decrease)/increase in cash held		(721,125)	60,885
Cash and cash equivalents at the beginning of the half-year	5	3,203,479	383,845
Cash and cash equivalents at the end of the half-year	5	2,482,354	444,730
Cashflows from discontinued operations		(181,444)	56,029

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

Notes to the Consolidated financial statements

for the half-year ended 31 December 2018

Note 1 Statement of significant accounting policies

These are the interim 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 interim financial statements were authorised for issue on 26 August 2019 by the directors of the Company.

a. Basis of preparation

This interim financial report is intended to provide users with an update on the latest annual financial statements of Ensurance Limited and controlled entities. As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in combination with the annual financial statements of the Group for the year ended 30 June 2018, together with any public announcements made during the half-year.

i. Statement of compliance

The interim financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. The interim report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

ii. Reissued financial statements

The previously issued financial statements of the Group for the half-year ended 31 December 2018 dated 27 February 2019 have been withdrawn and are replaced by these financial statements. The revision was necessary as a result of a reassessment of the revenue recognition policy in accordance with the newly effective AASB 15 Revenue from Contracts with Customers, specifically the point at which control is transferred to the customer, and enforceable rights and obligations occur. As a result of this change, the reissued financial statements have been affected as follows:

Revenue and net profit for the half year ended 31 December 2018 increased by \$195,189.

Current assets decreased by \$11,001, with current liabilities decreased by \$444,707. Net assets increased by \$433,706.

Please refer to Note 2 for details.

iii. Going Concern

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.

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 made a profit for the half-year of \$1,040,783 (December 2017: \$5,584,879 loss) and a net cash outflow of \$721,125 (December 2017: \$60,885 inflow). The net assets of the Group have decreased from 30 June 2018 by \$119,271 to a net deficiency of \$120,049 at 31 December 2018 (June 2018: \$778 net deficiency). As at 31 December 2018, the Group's cash and cash equivalents decreased from 30 June 2018 by \$721,125 to \$2,482,354 at 31 December 2018 (June 2018: \$3,203,479) and had a working capital surplus of \$2,030,940 (June 2018: \$1,401,835 working capital surplus).

The Group is exploring various capital raising strategies which include, but are not limited to, securing additional working capital and renegotiating existing debt instruments. The group has also received confirmation of continued and ongoing financial support from one of its major shareholders. This continued financial support will enable the Group to meet its current obligations as and when they fall due.

Ultimately the ability of the Group to continue as a going concern is dependent upon the continued unconditional financial support provided by a major shareholder of Ensurance Limited. On this basis, it is the Directors belief that this financial support will continue, such that the Group is able to pay its debts as and when they fall due and will have adequate resources to continue operating for the foreseeable future. For this reason, the Directors consider the going concern basis of preparation to be appropriate.

iv. Reverse acquisition

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

Notes to the Consolidated financial statements

for the half-year ended 31 December 2018

Note 1 Statement of significant accounting policies

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 Ltd (accounting subsidiary). Notwithstanding, as Ensurance Ltd is the listed entity and the ultimate holding company of the Ensurance Group of companies, the financial statements have been referred to as the financial statements of Ensurance Ltd.

v. Use of estimates and judgments

The critical estimates and judgements are consistent with those applied and disclosed in the 30 June 2018 annual report.

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

b. New Accounting Standards and Interpretations not yet mandatory or early adopted

The following accounting standards have been issued by the AASB but are not yet effective:

i. 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 office 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. An analysis of the Group's current exposure to leases falling under AASB 16 would not have a material impact on the net profit or net assets of the Group, but would require reclassification of the above assets in accordance with the new standard and as such, the effect on the individual line items of the Statement of Financial Position will be material. It is estimated that non-current assets would increase by approximately \$0.9m to recognise the right-of-use assets, less accumulated amortisation, with a corresponding increase in liabilities of \$1.1m to recognise the lease liability. Recognising expenditure as repayments of the lease liability and interest, rather than rental expense will have a material impact on EBITDA. This is driven by an amortisation charge on the right-of-use asset,

c. 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.

Notes to the Consolidated financial statements

for the half-year ended 31 December 2018

Note 1 Statement of significant accounting policies**ii. 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.

Intangible Assets, arising from software development costs, are initially recognised as an asset when it is expected that material future economic benefits will be derived from such expenditure. The estimated future economic benefits are used to determine the recoverable amount of this asset, however, where the timing and value of these future economic benefits cannot be determined with reasonable accuracy, the carrying amount is written down to the recoverable amount through an impairment charge to the profit & loss account.

iii. Key Estimate —Convertible notes and Valuation of options

Convertible notes are a debt instrument that may be converted to equity at a later date and thus a portion of the note has its derivative in equity. The Company has chosen to estimate the value of the equity derivative by applying a discount rate of 3% per quarter over the three-year period of the note. The present value of the principal and interest payable over the term of the note represent the liability component, with the balance representing equity.

During the half-year, the Company issued options for unissued shares in the Company (refer to Note 15c). These options were valued using the Black-Scholes valuation model, taking the stock price on the date of issue, the interest rate as the RBA 3-year risk free bond rate and volatility of the Company's share price over the preceding three months of trading.

Notes to the consolidated financial statements

for the half-year ended 31 December 2018

Note 2 Revenue and other income

	31 December 2018 \$	31 December 2017 \$
a. Revenue		
Commissions	914,372	572,561
Interest	80,944	3,810
	995,316	576,371
b. Other Income		
Grants received	-	2,034
Other	52,019	-
	52,019	2,034

For the half year ended 31 December 2018, the Group adopted AASB 15: Revenue from Contracts with Customers, which replaced all revenue standards and interpretations. As permitted by AASB 15, the Group adopted the standard on the cumulative effect method, so that prior year comparative results have not been restated.

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

Variable consideration for the Company represents the potential for policies to be cancelled or negatively endorsed, ie amended to reflect a change in a customer's circumstances, resulting in a lower premium. To the extent a policy is negatively endorsed or cancelled, the Company still retains the right to collect the premium pro-rata to the point of endorsement or cancellation. The Company estimates variable consideration based on the expected value by looking at the previous year's cancellations and negative endorsements as a percentage of the overall premiums sold. (It is assumed this percentage will not materially change). This percentage is then applied to the trade receivable balance to create a refund liability. The refund liability is considered an acceptable way to account for variable consideration in the standard.

The adoption of AASB 15 is a reflection of a shift in timing of revenue recognised with no change in the quantum of revenue recognised. This change arises from the bringing forward of revenue recognition from the point settlement is received to the policy inception date, subject to variable consideration, which is constrained to reflect potential cancellations. Refer to the Consolidated Statement of Changes In Equity, which shows the quantitative impact of AASB 15.

Set out below are the amounts by each line item in the Consolidated Statement of Profit or Loss and Other Comprehensive Income and the Consolidated Statement of Financial Position affected by the adoption of AASB 15. The first column shows amounts prepared under AASB 15, the second column shows the AASB 15 adjustment and the last column shows the amounts had AASB 15 not been adopted.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Amounts Prepared Under AASB 15 \$	Current Period Adjustments Under AASB 15 \$	Amounts Prepared Under Previous AASB 1023 \$
Revenue	1,047,335	195,189	852,146
Expenses	(3,543,770)	-	(3,543,770)
Finance Costs	(189,072)	-	(189,072)
Net Profit/(Loss)	(2,685,507)	195,189	(2,880,696)

Consolidated Statement of Financial Position

INTERIM FINANCIAL REPORT

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	Amounts Prepared Under AASB 15	Current Period Adjustments Under AASB 15	Amounts Prepared Under Previous AASB 1023
	\$	\$	\$
Current Assets	8,942,465	(11,001)	8,953,466
Non-current Assets	232,361	-	232,361
Current Liabilities	(6,911,525)	444,707	(7,356,232)
Non-current Liabilities	(2,383,350)	-	(2,383,350)
Net Assets	(120,049)	433,706	(553,755)
Equity	(120,049)	433,706	(553,755)

Note 3 Profit/(Loss) before income tax

Note

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
- Amortisation of intangibles

b. Employment costs:

- Non-Executive Directors fees
- (Decrease)/Increase in employee benefits provisions
- Superannuation expenses
- Wages and salaries
- Other employment related costs

c. Finance costs:

- Interest on convertible notes
- Short-term loan interest and finance costs
- Interest on related party loans
- Amortisation of transaction costs
- Other interest

	31 December 2018 \$	31 December 2017 \$
	26,949	18,085
	-	139,343
	26,949	157,428
	52,375	72,417
	(26,588)	57,829
	165,910	175,934
	2,148,547	2,050,427
	165,173	302,100
	2,505,417	2,658,707
	135,437	239,559
	5,067	198,008
	3,684	111,595
	44,884	-
	-	46,743
	189,072	595,905

Notes to the consolidated financial statements

for the half-year ended 31 December 2018

Note 4 Earnings per share (EPS)**a. Reconciliation of earnings to profit or loss**

Profit/(Loss) for the half-year

Profit/(Loss) used in the calculation of basic and diluted EPS

Note	31 December 2018 \$	31 December 2017 \$
------	---------------------------	---------------------------

1,040,783 (5,584,879)

1,040,783 (5,584,879)

b. Number of ordinary shares outstanding at reporting date used in calculation of basic EPS

4e

31 December 2018 \$	31 December 2017 \$
---------------------------	---------------------------

316,086,819 153,113,862

31 December 2018 ¢	31 December 2017 ¢
--------------------------	--------------------------

c. Earnings per share

Basic EPS (cents per share)

4de

0.33 (3.65)

d. At the end of the half-year ended 31 December 2018, the Group had 42,497,314 unissued shares under options (Dec 2017: 25,497,314) and 8,000,000 partly-paid shares on issue (Dec 2017: 8,000,000) and 1,500,000 performance rights (Dec 2017: 6,500,000). The Group does not report diluted earnings per share on annual losses generated by the Group. During half-year ended 31 December 2018 the Group's unissued shares under option, performance rights and partly-paid shares were anti-dilutive.

e. In calculating the number of ordinary shares outstanding (the denominator of the EPS calculation) for the half-year ended 31 December 2018 the number of ordinary shares outstanding for the half-year ended 31 December 2018 shall be the actual number of ordinary shares of Ensurance outstanding at reporting date.

f. \$3m convertible notes were issued by the Company on 11 July 2016. The convertible notes have a nominal interest rate of 8% per annum and an effective interest rate of 12% per annum. At 31 December 2018, the conversion price of each note was \$0.04. The term of the notes is 3 years after the subscription date. At the balance date the notes had been fully subscribed (2017: fully subscribed). During the half-year ended 31 December 2018 the convertible notes were dilutive.

Note 5 Cash and cash equivalents**Current**

Cash at bank

Cash on hand

31 December 2018 \$	30 June 2018 \$
2,480,833	3,201,734
1,521	1,745
2,482,354	3,203,479

Notes to the consolidated financial statements

for the half-year ended 31 December 2018

Note 6 Trade and other receivables
Current

Trade receivables

R&D Tax rebate

Receivable from underwriter

31 December 2018	30 June 2018
\$	\$
483,410	35,751
-	284,000
-	503,336
483,410	823,087

Note 7 Other current assets
Current

Prepayments

31 December 2018	30 June 2018
\$	\$
164,237	202,960
164,237	202,960

Note 8 Compliance of insurance assets versus insurance liabilities
a. Trust account insurer assets

Insurance debtors

Trust accounts

Total trust account insurance assets

b. Trust account insurer liabilities

Underwriter's liability

Unearned commissions

Other

Total trust account insurance liabilities

c. Excess of insurance assets over insurance liabilities

31 December 2018	30 June 2018
\$	\$
3,962,900	1,883,519
1,849,564	1,788,828
5,812,464	3,672,347
5,658,116	3,380,618
-	249,517
154,348	42,212
5,812,464	3,672,347
-	-

Note 9 Financial assets
Non-current

Listed shares

Lease deposit bonds

31 December 2018	30 June 2018
\$	\$
2,564	2,564
71,811	67,640
74,375	70,204

Notes to the consolidated financial statements

for the half-year ended 31 December 2018

Note 10 Property, plant, and equipment**Non-current**

Fixtures, furniture, and fittings

Accumulated depreciation

Plant and equipment

Accumulated depreciation

Total plant and equipment

31 December 2018 \$	30 June 2018 \$
191,774	187,428
(46,382)	(25,873)
145,392	161,555
91,772	91,639
(79,178)	(72,406)
12,594	19,233
157,986	180,788

Note 11 Intangible assets**Non-current**

Software development costs

Accumulated amortisation

Impairment

Total intangible assets

1cii

31 December 2018 \$	30 June 2018 \$
3,664,739	3,664,739
(1,657,278)	(1,657,278)
(2,007,461)	(2,007,461)
-	-

Note 12 Trade and other payables**Current**

Trade payables

Other payables

Other taxes payable

Loan with discontinued operation

31 December 2018 \$	30 June 2018 \$
356,488	351,644
267,116	401,158
261,234	238,620
-	1,059,758
884,838	2,051,180

Note 13 Borrowings**Current**

Non-refundable sale deposit taken

Related party loans

Premium funding loans

Non-current


Convertible Notes (liability component)

31 December 2018 \$	30 June 2018 \$
-	200,000
6,000	120,378
13,774	146,910
19,774	467,288
2,354,033	2,583,632
2,354,033	2,583,632

Notes to the consolidated financial statements

for the half-year ended 31 December 2018

Note 14 Employee benefit provisions
Disclosed as:
 Current

 Non-current

Carrying amount at reporting date

31 December 2018 \$	30 June 2018 \$
194,449	309,223
29,317	28,889
223,766	338,112

Note 15 Issued capital

Fully paid ordinary shares

31 December 2018 No.	30 June 2018 No.	31 December 2018 \$	30 June 2018 \$
316,086,819	346,227,724	16,301,785	17,527,964
6 months to 31 December 2018 No.	12 months to 30 June 2018 No.	6 months to 31 December 2018 \$	12 months to 30 June 2018 \$
346,227,724	83,113,862	17,527,964	7,210,755
-	263,113,862	-	11,224,554
(30,140,905)	-	(1,205,636)	-
-	-	(20,543)	(907,345)
316,086,819	346,227,724	16,301,785	17,527,964

a. Ordinary shares

At the beginning of the period

Shares issued during the period:

Shares cancelled during the period:

Transaction costs relating to share issues

At reporting date

b. Partly paid shares

Partly-paid Shares

31 December 2018 No.	30 June 2018 No.
8,000,000	8,000,000

c. Options

Options exercisable at 12 cents expiring 31 July 2020

1,000,000 1,000,000

Options exercisable at 4.6 cents expiring 31 July 2020

3,000,000 3,000,000

Options exercisable at 8 cents expiring 31 July 2020

2,597,314 2,597,314

Options exercisable at 4 cents expiring 31 July 2020

3,500,000 3,500,000

Options exercisable at 8 cents expiring 15 December 2019

5,000,000 5,000,000

Options exercisable at 5 cents expiring 15 December 2019

3,150,000 3,150,000

Options exercisable at 5 cents expiring 15 December 2020

7,250,000 7,250,000

Options exercisable at 5 cents expiring 10 July 2021

1,000,000 -

Options exercisable at 8 cents expiring 10 July 2021

1,000,000 -

Options exercisable at 4 cents expiring 31 December 2021

3,000,000 -

Options exercisable at 6 cents expiring 31 December 2022

5,000,000 -

Options exercisable at 9 cents expiring 31 December 2023

7,000,000 -

42,497,314 25,497,314

d. Performance Rights

Performance rights Class A

1,000,000 1,000,000

Performance rights Class B

500,000 500,000

Carrying amount at reporting date

1,500,000 1,500,000

e. Convertible Notes

Convertible notes

62,500,000 75,000,000

Carrying amount at reporting date

62,500,000 75,000,000

\$3m convertible notes were issued by the Company on 11 July 2016 at an initial issue price of \$0.22 per note. With any future raising of capital, the conversion price reduces in line with the price of the shares issued in the capital raising. Effective 1 November 2018, the convertible notes in issue were reduced by \$0.5m to \$2.5m as part of the consideration received on disposal of Savill Hicks Corp Pty Ltd. At 31 December 2018, the conversion price of each note was \$0.04. Each note entitles the holder to convert to one ordinary share. Conversion may occur at any time within 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.

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Note 16 Reserves

Investment revaluation reserve
Convertible notes option premium reserve
Share-based payment reserve
Share option reserve
Foreign currency translation reserve
Total reserves at reporting date

31 December 2018 \$	30 June 2018 \$
200	12,793
269,112	269,112
8,980	8,980
1,154,838	1,308,952
743	(54,487)
1,433,873	1,545,350

Note 17 Related party transactions**a. Key management personnel (KMP) compensation**

The totals of remuneration paid to KMP during the half-year is as follows:

Short-term employee benefits
Post-employment benefits
Total

31 December 2018 \$	31 December 2017 \$
826,055	1,024,562
65,254	91,305
891,309	1,115,867

b. Other 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.

Remuneration paid to related parties of the KMP:

▶ C Graham	21,900	14,235
▶ J Huntly	11,450	10,970

Outstanding loans made to the Company by KMP and their related parties:

▶ B Graves	-	94,728
▶ T Leibowitz via Kalonda Pty Ltd ATF Leibowitz Super Fund	-	510,000
▶ A Davey	6,000	-

Note 18 Commitments

The Company entered into an 18-month, non-cancellable operating lease for Level 5, 68 Alfred Street, Milsons Point, NSW, 2061. The lease commenced on 7 December 2018. There were no other changes in the Company's commitments or contingencies since the year ended 30 June 2018 to the date of this report. During the half-year ended 31 December 2018, the Company made payments totalling \$351,888 on non-cancellable operating leases, representing rent payments in Sydney, Melbourne and London.

Note 19 Operating segments**a. Segment Performance****Half-Year ended 31 December 2018****Revenue**

	Insurance \$	Insurance (United Kingdom) \$	Information Technology \$	Corporate Head Office \$	Total \$
Revenue	442,826	471,545	-	-	914,371
Interest revenue	4,238	-	-	76,707	80,945
Total segment revenue	447,064	471,545	-	76,707	995,316
<i>Reconciliation of segment to group revenue</i>					
Intra-segment income and expense	-	-	-	-	-
Other income	-	-	52,019	-	52,019
Total group revenue and other income					1,047,335
<i>Segment net profit/(loss) from continuing operations before tax</i>	(89,252)	(1,083,611)	(517,047)	(968,648)	(2,658,558)
<i>Reconciliation of segment loss to group loss</i>					
(i) Amounts not included in segment results but reviewed by Board:					
Depreciation, amortisation & software impairment	(2,934)	(20,866)	(553)	(2,596)	(26,949)
(ii) Unallocated items					-
Loss before income tax					(2,685,507)

Notes to the consolidated financial statements

for the half-year ended 31 December 2018

Note 19 Operating segments (cont.)
Half-Year ended 31 December 2017
Revenue

	Insurance \$	Insurance (United Kingdom) \$	Information Technology \$	Corporate Head Office \$	Total \$
Revenue	566,690	5,871	-	-	572,561
Interest revenue	2,398	-	-	1,412	3,810
Total segment revenue	569,088	5,871	-	1,412	576,371
<i>Reconciliation of segment to group revenue</i>					
Intra-segment income and expense	-	-	-	-	-
Other income	-	-	-	2,034	2,034
Total group revenue and other income				0	578,405
<i>Segment net profit/(loss) from continuing operations before tax</i>	159,272	(1,066,049)	(414,355)	(2,391,084)	(3,712,216)
<i>Reconciliation of segment loss to group loss</i>					
(iii) Amounts not included in segment results but reviewed by Board:					
Depreciation and amortisation	(219,817)	(4,175)	(1,938,498)	(2,399)	(2,164,889)
(iv) Unallocated items					-
Loss before income tax					(5,877,105)

b. Segment Assets and Liabilities
As at 31 December 2018
Segment Assets

	Insurance \$	Insurance (United Kingdom) \$	Information Technology \$	Corporate Head Office \$	Total \$
Segment Assets	3,407,871	3,667,216	22,785	22,747,508	29,845,380
<i>Reconciliation of segment to group assets</i>					
Intra-segment eliminations					(20,670,554)
Total assets					9,174,826
Segment Liabilities	3,247,634	3,282,109	4,991,798	4,868,425	16,389,966
<i>Reconciliation of segment to group liabilities</i>					
Intra-segment eliminations					(7,095,091)
Total liabilities					9,294,875

As at 30 June 2018

Segment Assets	3,098,256	1,690,855	17,387	25,524,176	30,330,674
<i>Reconciliation of segment assets to group assets</i>					
Intra-segment eliminations					(22,177,809)
Total assets					8,152,865
Segment Liabilities	2,963,087	1,521,734	4,468,800	9,830,797	18,784,418
<i>Reconciliation of segment to group liabilities</i>					
Intra-segment eliminations					(9,671,859)
Total liabilities					9,112,559

Notes to the consolidated financial statements

for the half-year ended 31 December 2018

Note 20 Contingent liabilities

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

Note 21 Events subsequent to reporting date

There are no material events subsequent to reporting date.

Note 22 Discontinued Operations

Discontinued operations comprise the Australian retail broking business, Savill Hicks Corp Pty Ltd, the sale of which was announced to the ASX in July 2018. The sale of Savill Hicks Corp Pty Ltd completed on 12 November 2018 and operations ceased at that point. As such, results shown in this note represent the period 1 July 2018 to 12 November 2018 and include the results of Savill Hicks Corp Pty Ltd. The prior comparative period represents the six months to 31 December 2017.

a. Profit/(Loss) from Discontinued Operations

	2018 \$	2017 \$
Revenue	985,660	1,335,527
Other income	2,000	3,050
Operating expenses	(900,159)	(1,032,983)
Profit from operating activities	87,501	305,594
Finance costs	(9,125)	(13,368)
Profit before tax	78,376	292,226
Tax benefit/(expense)	-	-
Profit for period	78,376	292,226

b. (Gain)/Loss on disposal of Discontinued Operations

	\$
Net assets of Savill Hicks Pty Ltd at disposal	120,200
Consideration:	
Cash deposit received in June 2018	(200,000)
Cash received on settlement	(1,999,011)
Fair value of buy-back of shares	(1,205,636)
Carrying amount of convertible notes cancelled	(450,230)
Transfer of employee entitlements	(44,648)
	(3,899,525)
Expenses incurred in sale:	
Independent expert's report	32,640
Legal and compliance costs	44,925
IT and transition costs	53,846
	131,411
(Gain)/Loss on disposal	(3,647,914)

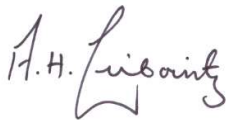
Directors' declaration

The Directors of the Company declare that:

- (a) 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; and
- (b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Group.

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

On behalf of the Directors



TONY LEIBOWITZ

Chairman

Dated this Monday, 26 August 2019

Independent Auditor's Review Report to the members of Ensurance Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Ensurance Limited and its controlled entities ("the Group"), which comprises the statement of financial position as at 31 December 2018 and statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, other selected explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year ended 31 December 2018.

Directors' responsibility for the half-year financial report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements *ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2018 and its performance for the half-year ended on that date; and complying with Accounting Standard *AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Ensurance Limited and its controlled entities during the half-year ended 31 December 2018, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Ensurance Limited and its controlled entities is not in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2018 and of its performance for the half-year ended on that date; and
- (ii) complying with Accounting Standard *AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

Emphasis of Matter – Going Concern

Without qualification to the conclusion expressed above, we draw attention to Note 1a iii. to the financial report which contemplates the continuation of the Group as a going concern. Whilst the Group is exploring various capital raising strategies to obtain additional sources of funding and/or restructure existing debt instruments, the ability of the Group to meet its current obligations as and when they fall due is dependent upon the continued and ongoing financial support of a key shareholder.

Should the capital raising strategies not generate sufficient working capital, and/or the ongoing financial support from the key shareholder is interrupted or ceases, then a material uncertainty exists which may cast significant doubt about 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.

Emphasis of Matter – Reissue of Half-Year Financial Report

Without qualification to the conclusion expressed above, attention is drawn to the following matter. As stated in Note 1.a.ii, Reissued Financial Statements, the attached financial report of Ensurance Limited for the half year ended 31 December 2018 is a reissued financial report and supersedes the financial report signed by the Directors on 27th of February 2019. The half-year financial report has been reissued as a result of managements reassessment of the revenue recognition policy in accordance with *AASB 15 Revenue from Contracts with Customers*. This audit report supersedes our audit report dated 27th February 2019 relating to the previously issued and now superseded financial report.

MAZARS RISK & ASSURANCE PTY LIMITED



Rose Megale
Director

Dated in Sydney, this 26th day of August 2019.