Ensurance Underwriting Pty Limited

ABN: 21 158 973 365

Financial Statements

For the Year Ended 30 June 2013

Ensurance Underwriting Pty Limited
ABN: 21 158 973 365

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For the Year Ended 30 June 2013

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Directors' Report

30 June 2013

The directors present their report on Ensurance Underwriting Pty Limited for the financial year ended 30 June 2013.

Information on directors

The names of each person who has been a director during the year and to the date of this report are:

Mr Stefan Ronald Hicks	Managing Director and Company Secretary

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

Principal activities

The principal activity of Ensurance Underwriting Pty Limited during the financial year was the operation of insurance underwriting and there was no significant change in the nature of that activity during the year.

No significant changes in the nature of the Company's activity occurred during the financial year.

Operating results

The loss of the Company after providing for income tax amounted to $ (112,528) (2012: $ NIL).

Dividends paid or recommended

No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.

Significant changes in state of affairs

There have been no significant changes in the state of affairs of the Company during the year.

Events after the reporting date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

Environmental issues

The Company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia

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Environmental issues (continued)

Indemnification and insurance of officers and auditors

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of Ensurance Underwriting Pty Limited.

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2013 has been received and can be found on page 3 of the financial report.

Signed in accordance with a resolution of the Board of Directors:

Director: ....

Dated 28 OCT 2013

DUNCAN DOVICO

AUDITORS' INDEPENDENCE DECLARATION

In accordance with section 307C of the Corporations Act 2001, I declare that, to the best of my knowledge and belief, during the year ended 30 June 2013 there have been:

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

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

This declaration is in respect of Ensurance Underwriting Pty Limited during the period.

DUNCAN DOVICO RISK & ASSURNACE PTY LIMITED

R. Megale

Rosemary Megale
Director
Dated in Sydney, this 28th day of October 2013.

Ensurance Underwriting Pty Limited

ABN: 21 158 973 365

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2013

	Note	2013 $	2012 $
Employee benefits expense	3	(72,352)	-
Depreciation and amortisation expense	3	(2,794)	-
Other expenses	3	(37,382)	-
Loss before income tax		(112,528)	-
Income tax expense		-	-
Loss from continuing operations		(112,528)	-
Loss for the year		(112,528)	-
Other comprehensive income, net of income tax			
Items that will not be reclassified subsequently to profit or loss		-	-
Items that will be reclassified to profit or loss when specific conditions are met		-	-
Total comprehensive income for the year		(112,528)	-

The accompanying notes form part of these financial statements.

Ensurance Underwriting Pty Limited
ABN: 21 158 973 365

Statement of Financial Position
30 June 2013

	Note	2013 $	2012 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	**50,163**	-
Trade and other receivables	8	**268**	100
Other assets		**3,466**	7,000
TOTAL CURRENT ASSETS		**53,897**	7,100
NON-CURRENT ASSETS			
Property, plant and equipment	9	**1,269**	-
Intangible assets	10	**13,686**	2,977
TOTAL NON-CURRENT ASSETS		**14,955**	2,977
TOTAL ASSETS		**68,852**	10,077
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	**171,498**	10,275
Current tax liabilities	7	**7,444**	(298)
Employee benefits	12	**2,338**	-
TOTAL CURRENT LIABILITIES		**181,280**	9,977
NON-CURRENT LIABILITIES			
TOTAL LIABILITIES		**181,280**	9,977
NET ASSETS		**(112,428)**	100
EQUITY			
Issued capital	13	**100**	100
Retained earnings		**(112,528)**	-
TOTAL EQUITY		**(112,428)**	100

The accompanying notes form part of these financial statements.

Ensurance Underwriting Pty Limited
ABN: 21 158 973 365

Statement of Changes in Equity
For the Year Ended 30 June 2013

2013

	Fully Paid Ordinary Shares	Retained Earnings	Total
	$	$	$
Balance at 1 July 2012	**100**	**-**	**100**
Loss of the year	**-**	**(112,528)**	**(112,528)**
Balance at 30 June 2013	**100**	**(112,528)**	**(112,428)**

2012

	Fully Paid Ordinary Shares	Retained Earnings	Total
	$	$	$
Balance at 1 July 2011	-	-	-
Shares issued during the year	100	-	100
Balance at 30 June 2012	100	-	100

Ensurance Underwriting Pty Limited

ABN: 21 158 973 365

Statement of Cash Flows

For the Year Ended 30 June 2013

	Note	2013 $	2012 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		**(168)**	(100)
Payments to suppliers and employees		**(73,564)**	(7,298)
Net cash provided by (used in) operating activities	16	**(73,732)**	(7,398)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Payment for intangible asset		**(13,418)**	(2,977)
Purchase of property, plant and equipment		**(1,354)**	-
Net cash used by investing activities		**(14,772)**	(2,977)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from issue of shares		**-**	100
Proceeds from intercompanies' loan accounts		**138,667**	10,275
Net cash used by financing activities		**138,667**	10,375
Net increase (decrease) in cash and cash equivalents held		**50,163**	-
Cash and cash equivalents at end of financial year	5	**50,163**	-

The accompanying notes form part of these financial statements.

Notes to the Financial Statements
For the Year Ended 30 June 2013

Ensurance Underwriting Pty Limited is a for profit Company limited by shares, incorporated and domiciled in Australia. The principal activity of the Company was the operation of insurance underwriting.

The functional and presentation currency of Ensurance Underwriting Pty Limited is Australian dollars.

1 General Information

(a) Statement of compliance

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

The financial statements of Ensurance Underwriting Pty Limited also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The significant accounting policies used in the preparation and presentation of these financial statements are provided below and are consistent with prior reporting periods unless otherwise stated.

(b) Basis of Preparation

The financial statements are based on historical costs, except for the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(c) Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involve a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

(d) Comparative Amounts

Comparatives are consistent with prior years, unless otherwise stated.

Where a change in comparatives has also affected the opening retained earnings previously presented in a comparative period, an opening statement of financial position at the earliest date of the comparative period has been presented.

(e) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the statement of financial position.

1 General Information (continued)

(f) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in profit or loss within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

(g) Property, Plant and Equipment

All other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

The depreciation rates used for each class of depreciable asset are shown below:

Computer Equipment	37.5%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

When an assets is disposed, the gain or loss is calculated by comparing proceeds received with its carrying amount and is taken to profit or loss.

(h) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options, or for the acquisition of a business, are included in the cost of the acquisition as part of the purchase consideration.

1 General Information (continued)

(i) Intangible Assets

Research and development - AFSL licence

Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technical feasibility studies identify that the project will deliver future economic benefits and these benefits can be measured reliably.

The expenditure capitalised includes the cost of materials, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use, and capitalised borrowing costs. Other development expenditure is recognised in profit or loss as incurred.

Capitalised development costs are measured at cost less accumulated amortisation and accumulated impairment losses.

Development costs have a finite life and are amortised on a systematic basis matched to the future economic benefits over the useful life of the project which is 5 years.

(j) Trade and Other Payables

Liabilities for trade creditors and other amounts are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the entity. These amounts are unsecured.

(k) Employee benefits

Short Term Obligations

Liabilities for wages and salaries, including non monetary benefits, annual leave are expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave is recognised in the provision for employee benefits. All other short term employee benefit obligations are presented as payables.

Long Term Obligations

The liability for long service leave and annual leave which is not expected to be settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period.

1 General Information (continued)

(k) Employee benefits (continued)

Termination Benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The company recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or to providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

(l) Contributed Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options, or for the acquisition of a business, are included in the cost of the acquisition as part of the purchase consideration.

(m) Income Tax

The tax expense recognised in the statement of profit or loss and other comprehensive income relates to current income tax expense plus deferred tax expense (being the movement in deferred tax assets and liabilities and unused tax losses during the year).

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (tax loss) for the year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is provided on temporary differences which are determined by comparing the carrying amounts of tax bases of assets and liabilities to the carrying amounts in the consolidated financial statements.

Deferred tax is not provided for the following:

- The initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).
- Taxable temporary differences arising on the initial recognition of goodwill.
- Temporary differences related to investment in subsidiaries, associates and jointly controlled entities to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured 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 (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax consequences relating to a non-monetary asset carried at fair value are determined using the assumption that the carrying amount of the asset will be recovered through sale.

1 General Information (continued)

(m) Income Tax (continued)

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and losses can be utilised.

Current tax assets and liabilities are offset where there is a legally enforceable right to set off the recognised amounts and there is an intention either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset where there is a legal right to set off current tax assets against current tax liabilities and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period except where the tax arises from a transaction which is recognised in other comprehensive income or equity, in which case the tax is recognised in other comprehensive income or equity respectively.

(n) Revenue and other income

Revenue is measured at the fair value of the consideration received or receivable.

The company recognises premium revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities as described below. The company bases its estimates on historical results, taking into consideration the type of transaction and the specifics of each arrangement.

Interest income

Interest is recognised using the effective interest method. When a receivable is impaired, the company reduces the carrying amount to its recoverable amount.

(o) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

1 General Information (continued)

(p) Going concern

The financial statements are prepared on a going concern basis, which contemplates the continuation of normal business activity and the realisation of assets and liabilities in the normal course of business.

As at 30 June 2013 the company's incurred a net loss after tax of $112,528 and cash outflows from operating and investing activities of $88,504. The ability of the Company to continue as a going concern and to pay their debts as and when they due is dependent on the financial support from Ensurance Capital Pty Limited and directors. Should additional capital not be raised or revenue streams generated then there is a material uncertainty which may cast significant doubt as to the company's ability to continue as a going concern and therefore, the Company 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.

(q) Adoption of new and revised accounting standards

During the current year, the Company adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory.

The adoption of these Standards has impacted the recognition, measurement and disclosure of certain transactions. The following is an explanation of the impact the adoption of these Standards and Interpretations has had on the financial statements of Ensurance Underwriting Pty Limited.

Standard Name	Impact
AASB 2011-9 Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income	The adoption of this standard has not change the reported financial position and performance of the entity, however the presentation of items in other comprehensive income has changed.
AASB 112 Income Taxes	There has been no impact on the reported financial position and performance
AASB 2011-3 Amendments to Australian Accounting Standards - Orderly Adoption of Changes to the ABS GFS Manual and Related Amendments	There has been no impact due the entity not being a government department

(r) New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Company has decided against early adoption of these Standards . The following table summarises those future requirements, and their impact on the Company:

1 General Information (continued)

(r) New Accounting Standards and Interpretations (continued)

Standard Name	Effective date for entity	Requirements	Impact
AASB 13 Fair Value Measurement. AASB 2011-8 - Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132]	30 June 2014	AASB 13 provides a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across Accounting Standards but does not change when fair value is required or permitted. There are a number of additional disclosure requirements.	Fair value estimates currently made by the entity will be revised and potential changes to reported values may be required. The entity has not yet determined the magnitude of any changes which may be needed. Some additional disclosures will be needed.
AASB 2011-7 - Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17]	30 June 2014	This standard provides many consequential changes due to the release of the new consolidation and joint venture standards.	The impact of this standard is expected to be minimal.

2 Critical accounting estimates and judgements

Estimates and judgment are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

Key judgments - Doubtful debts provision

Periodical review of debtors' recoverability is completed by the Company and its controlled entities. Provisions for doubtful debts are made if a debt or a part of it, is deemed unrecoverable.

There is nil provision for doubtful debts (2012: nil) included in accounts receivable at 30 June 2013 and in the income statement. The directors have determined that all accounts receivable balances are collectable.

Notes to the Financial Statements
For the Year Ended 30 June 2013

3 Loss for the year before tax

The result for the year includes the following specific expenses:

	2013	2012
	$	$
Other expenses:		
Administration and management fees	**13,667**	-
Advertising	**3,125**	-
Auditors remuneration	**6,000**	-
Accounting fees	**120**	-
Bank charges	**111**	-
Computer expenses	**2,222**	-
Incorporation costs	**1,827**	-
Insurance	**3,633**	-
Travel - overseas	**4,465**	-
Other expenses	**2,212**	-
Total other expenses	**37,382**	-
Employee benefits expense		
Annual leave provision	**1,775**	-
Employee benefits provision	**159**	-
Long service leave provision	**404**	-
Salaries and wages	**70,014**	-
Total employee benefits expense	**72,352**	-
Depreciation and amortisation expense:		
Property, plant and equipment	**85**	-
Intangible assets	**2,709**	-
Total depreciation and amortisation expense	**2,794**	-

4 Remuneration of Auditors

	2013	2012
	$	$
Remuneration of the auditor of the Company, Duncan Dovico Risk and Assurance Pty Limited, for:		
- auditing or reviewing the financial report	**6,000**	-

Notes to the Financial Statements

For the Year Ended 30 June 2013

5 Cash and cash equivalents

	2013	2012
	$	$
Cash at bank and in hand	**50,163**	-

6 Income Tax Expense

(a) The major components of tax expense (income) comprise:

(b) Reconciliation of income tax to accounting profit:

	2013	2012
	$	$
Prima facie tax payable on profit from ordinary activities before income tax at 30% (2012: 30%)	**(33,758)**	-
Tax effect of:		
- Other timing difference	**33,758**	-
Income tax expense	**-**	-

7 Tax

	2013	2012
	$	$
Income tax payable	**9,814**	-
GST payable	**(2,370)**	(298)
Current tax liabilities	**7,444**	(298)

8 Trade and other receivables

	2013	2012
	$	$
CURRENT		
Related party receivables	**268**	100
Total current trade and other receivables	**268**	100

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

Notes to the Financial Statements

For the Year Ended 30 June 2013

9 Property, plant and equipment

	2013	2012
	$	$
Computer equipment		
At cost	**1,354**	-
Accumulated depreciation	**(85)**	-
Total computer equipment	**1,269**	-
Total property, plant and equipment	**1,269**	-

10 Intangible Assets

	2013	2012
	$	$
Development costs		
Cost	**16,395**	2,977
Accumulated amortisation and impairment	**(2,709)**	-
Total Intangible assets	**13,686**	2,977

Intangible assets, other than goodwill have finite useful lives. The current amortisation charges for intangible assets are included under depreciation and amortisation expense in the statement of profit or loss and other comprehensive income. Goodwill has an indefinite life and is not amortised.

11 Trade and other payables

	2013	2012
	$	$
CURRENT		
Trade payables	**2,593**	-
Sundry payables and accrued expenses	**11,781**	-
Accrued audit fee	**8,182**	-
Related party payables	**148,942**	10,275
Total current trade an other payables	**171,498**	10,275

All amounts are short term and the carrying values are considered to be a reasonable approximation of fair value.

12 Employee Benefits

	2013	2012
	$	$
CURRENT		
Long service leave	**404**	-
Provision for employee benefits	**1,934**	-
Total current employee benefits	**2,338**	-

13 Issued Capital

	2013	2012
	$	$
(2012: 100) 100 Ordinary shares	**100**	100

(a) Capital Management

Capital of the Company is managed in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and to ensure that the group can fund its operations and continue as a going concern.

The Company's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets.

There are no externally imposed capital requirements.

Management effectively manages the Company's capital by assessing the Company's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

There have been no changes in the strategy adopted by management to control the capital of the Company since the prior year.

	2013	2012
	$	$
Trade and other payables	**22,556**	-
Cash and cash equivalents	**50,163**	-
Total	**72,719**	-

14 Financial Risk Management

(a) Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern.

The capital structure of the Company includes cash and cash equivalents, investments and equity comprising of contributed equity and retained earnings.

Ensurance Underwriting Pty Limited holds an Australian Financial Services Licensee ("AFSL") and is therefore subject to externally imposed capital requirements. Ensurance Underwriting Pty Limited is required to adhere to certain base level financial requirements which are specified in the AFSL documentation.

14 Financial Risk Management (continued)

(a) Capital risk management (continued)

Monthly monitoring reports are prepared and reviewed by management and the board of directors in order to ensure that all financial obligations under the AFS License are met.

Operating cash flows are also used to maintain and expand the Company's assets, as well as to make the routine outflows of tax, dividends and repayment of debt.

(b) Categories of financial instruments

	2013	2012
	$	$
Financial Assets		
Cash and cash equivalents	**50,163**	-
Trade and other receivables	**268**	100
Total financial assets	**50,431**	100
Financial Liabilities		
Trade and other payables	**171,497**	10,275
Total financial liabilities	**171,497**	10,275

At the reporting date there are no significant concentrations of credit risk. The carrying amount reflected above represents the Company's maximum exposure to credit risk for loans and receivables.

(c) Financial risk management objectives

The Directors overall risk management strategy seeks to assist the company in meeting its financial targets, whilst minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the Board of Directors on a regular basis. These include credit risk policies and future cash flow requirements.

(d) Market risk

The Company's activities expose it primarily to the financial risks of interest rates. Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices.

(e) Interest rate risk management

The Company is exposed to interest rate risk as the Company borrows funds at both fixed and floating interest rates. The Company's exposure to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

Interest rate risk is managed using fixed rate debt. At 30 June 2013 approximately 100% of the company debt is fixed.

14 Financial Risk Management (continued)

(e) Interest rate risk management (continued)

Interest rate sensitivity analysis
The sensitivity analysis below have been determined based on the exposure to interest rates for cash deposits and investments at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period. The analysis is based on the assumption that interest rates changed by +4.8%/ 5.6% (2012: 0%) from the year end rates with all other variables held constant. The impact mainly arises from changes in the fair value of fixed interest investments.

	Increase 4.8%	Increase 5.6%	Decrease 4.8%	Decrease 5.6%
Net profite would increase / (decrease)				
2013	**2,408**	**2,809**	**(2,408)**	**(2,809)**
2012	-	-	-	-

This is mainly attributable to the entity's exposure to interest rates on its cash deposits and investments. The Company's exposure to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

(f) Other price risks

The Company is subject to changes in the share price of ASX listed securities.

(g) Credit risk management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted the policy of only dealing with creditworthy counterparties and obtaining other security where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company measures credit risk on a fair value basis.

The carrying amount of financial assets recorded in the financial statements represents the Company's maximum exposure to credit risk without taking account of the value of any collateral or other security obtained.

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, who regularly review the Company's short, medium and long term funding and liquidity management requirements.

Liquidity risk is the risk that the Company will experience difficulty in either realising assets or otherwise raising sufficient funds to satisfy commitments associated with financial instruments. Cash flow risk is the risk that the future cash flows from holding financial instruments will fluctuate.

The Company managed liquidity risk through the following mechanisms:
- preparing forward looking cash flow analysis in relation to its operational, investing and financing activities;
- monitoring undrawn credit facilities.

Notes to the Financial Statements

For the Year Ended 30 June 2013

14 Financial Risk Management (continued)

(g) Credit risk management (continued)

		Fixed Interest Rate Maturity					
	Weighted Average Interest Rate	Less than 1 month	1-3 Months	3 Months to 1 Year	1-5 Years	Non-Interest Bearing	Total
	%	$	$	$	$	$	$
30 June 2013							
Assets							
Cash and cash equivalents	0%	50,163	-	-	-	-	50,163
Trade and other receivables	0%	-	-	-	-	2,639	2,639
Total Assets		50,163	-	-	-	2,639	52,802
Liabilities							
Trade and other payables	0%	-	-	-	-	181,311	181,311
Total Liabilities		-	-	-	-	181,311	181,311

15 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2013 (30 June 2012:None).

Notes to the Financial Statements
For the Year Ended 30 June 2013

16 Cash Flow Information

(a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2013	2012
	$	$
Profit for the year	**(112,528)**	-
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
Amortisation	**2,709**	-
Depreciation	**85**	-
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
- (increase)/decrease in trade and other receivables	**3,366**	(7,100)
- increase/(decrease) in trade and other payables	**30,298**	(298)
- increase/(decrease) in employee benefits	**2,338**	-
Cashflow from operations	**(73,732)**	(7,398)

17 Compliance of insurance assets versus insurance liabilities

The FSRA Legislation requires that the Insurance assets of the underwriting be equal to or exceed the underwriting insurance liabilities. A summary is attached below:

	2013	2012
	$	$
Assets		
Cash - (Trust Account)	**-**	-
Insurance Debtors	**-**	-
Total assets	**-**	-
Liabilities		
Premiums due to		
- Underwriter	**-**	-
Total liabilities	**-**	-
Excess of Assets over Liabilities	**-**	-

Notes to the Financial Statements
For the Year Ended 30 June 2013

18 Related Parties Transactions

(a) Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity is considered key management personnel.

The agrregate compensation made to directors and other members of key managemnet personnel of the Company is set out below:

	2013	2012
	$	$
Short-term employee benefits	**56,093**	-
Post-emplyee benefits	**-**	-
Other long-term benefits	**-**	-
Total	**56,093**	-

(b) Transactions with other related parties

	2013	2012
Transactions with other related parties		
Savill Hicks Corp (NSW) Pty Limited - Administration fees	**68,334**	-
Loans to / (from) other related parties		
Ensurance IT Pty Limited	**168**	-
Ensurance Capital Pty Limited	**100**	100
Savill Hicks Corp Pty Limited	**(123,908)**	(10,275)
Savill Hicks Corp (NSW) Pty Limited	**(25,034)**	-

Ensurance IT Pty Limited, Ensurance Capital Pty Limited, Savill Hicks Corp Pty Limited and Savill Hicks Corp (NSW) Pty Limited are an entity jointly owned by Stefan Ronald Hicks (Director) and Brett Andrew Graves (CEO).

19 Company Details

The registered office of and principal place of business of the company is:

Ensurance Underwriting Pty Limited
Level 2, 2 Glen Street
Milsons Point NSW 2061

Ensurance Underwriting Pty Limited
ABN: 21 158 973 365

Directors' Declaration

The directors have determined that the Company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 5 to 23, are in accordance with the *Corporations Act 2001* and:

   (a) comply with Accounting Standards as stated in Note 1; and

   (b) give a true and fair view of the Company's financial position as at 30 June 2013 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.

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 with the continuing support of creditors.

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

Director ....

Dated 28 OCT 2013

Independent Auditor's Report to the members of Ensurance Underwriting Pty Limited

Report on the Financial Report

We have audited the accompanying financial report, being a general purpose financial report, of Ensurance Underwriting Pty Limited, which comprises the statement of financial position as at 30 June 2013, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, a summary of significant accounting policies, other explanatory notes and the Directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretation) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

DUNCAN DOVICO RISK & ASSURANCE PTY LIMITED
LEVEL 12, 90 ARTHUR STREET, NORTH SYDNEY NSW 2060 • PO BOX 1994, NORTH SYDNEY NSW 2059
T: 9922 1166 • F: 9922 2044 • E: email@duncandovico.com.au • ABN: 39 151 805 275

Auditor's Opinion

In our opinion:

a) the financial report of Ensurance Underwriting Pty Limited is in accordance with the *Corporations Act 2001*, including:

   (i) giving a true and fair view of the company's financial position as at 30 June 2013 and of its performance for the year ended on that date; and
   (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and

b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Emphasis of matter

We draw attention to Note 1(p) to the financial statements which describe the uncertainty related to going concern. The company's incurred a net loss after tax of $112,528 and cash outflows from operating and investing activities of $88,504. The ability of the Company to continue as a going concern and to pay their debts as and when they due is dependent on the financial support from Ensurance Capital Pty Limited and directors. Should additional capital not be raised or revenue streams generated then there is a material uncertainty which may cast significant doubt as to the company's ability to continue as a going concern and therefore, the Company 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.

Basis of accounting and restriction on distribution

Without qualification to the opinion expressed above, we draw attention to Note 1 to the financial report, which describes the basis of preparation. The financial report has been prepared to assist of Ensurance Underwriting Pty Limited to meet the requirements of the *Corporations Act 2001* and the needs of the members. As a result, the financial report may not be suitable for another purpose.

DUNCAN DOVICO RISK & ASSURNACE PTY LIMITED

R. Megale

Rosemary Megale
Director
Dated in Sydney, this 28th day of October 2013