

**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 2015
Previous corresponding period:	Period ended 31 December 2014

					31 December 2015 \$'000s	31 December 2014 \$'000s
		Percentage Change				
Revenue	Up	8.78%	to		1,423	1,308
Other Income	Up	323.67%	to		636	150
Loss before tax	Up	197.33%	to		( 588)	( 198)
Loss after tax	Up	242.33%	to		( 588)	( 172)
EBITDA	Down	482.58%	to		( 218)	57

**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 Dividends**

					31 December 2015 ¢	30 June 2015 ¢
Net tangible asset backing per ordinary share	Down	67.60%	to		1.000	3.086

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

Nil

**Commentary on Results**

Commentary on the results for the reporting period can be found in the Director's Report and the condensed consolidated financial statements for the half-year ended 31 December 2015.

**Results for announcement to the Market**

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**ADAM DAVEY**

Chairman

Dated this Monday, 29 February 2016



ABN 80 148 142 634

(Previously known as Parker Resources Limited)

# **INTERIM FINANCIAL REPORT**

## for the half-year ended 31 December 2015

The information contained in this condensed report is to be read in conjunction with Ensurance Limited's 2015 annual report and announcements to the market by Ensurance Limited during the half-year period ended 31 December 2015

## ENSURANCE LIMITED

AND CONTROLLED ENTITIES

ABN 76 149 278 759

(Previously known as Parker Resources Limited)

## INTERIM FINANCIAL REPORT

31 December 2015

### Corporate directory

#### CURRENT DIRECTORS

Adam Davey	<i>Chairman</i>	Appointed 20 August 2012
Stefan Hicks	<i>Managing Director</i>	Appointed 6 May 2015
Brett Graves	<i>Executive Director</i>	Appointed 6 May 2015
Neil Pinner	<i>Non-executive Director</i>	Appointed 6 May 2015
Grant Priest	<i>Non-executive Director</i>	Appointed 7 September 2015

#### JOINT COMPANY SECRETARIES

Jay Stephenson                      Julia Beckett

#### REGISTERED OFFICE

Street: Suite 12, Level 1, 11 Ventnor Avenue  
WEST PERTH WA 6005

Postal: PO Box 52  
WEST PERTH WA 6872

Telephone: +61 (0)8 6141 3500

Facsimile: +61 (0)8 6141 3599

Website: [ensurance.com.au](http://ensurance.com.au)

#### 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](http://www.asx.com.au)

ASX Code: [ENA](http://ena)

#### AUDITORS

Mazars Risk & Assurance Pty Limited

Level 12, 90 Arthur Street  
NORTH SYDNEY NSW 2060

Telephone: +61 (0) 2 99 22 11 66

Website: [www.mazars.com.au](http://www.mazars.com.au)

#### PRINCIPAL PLACE OF BUSINESS

Street: Level 2/2 Glen St  
Milsons Point NSW 2061

Postal: PO Box 523  
Milsons Point NSW 1565

Telephone: +61 (0)2 9806 2000

Facsimile: +61 (0)2 9806 2099

#### 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](mailto:web.queries@computershare.com.au)

Website: [www.investorcentre.com](http://www.investorcentre.com)

#### SOLICITORS TO THE COMPANY

Steinepreis Paganin

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

#### CORPORATE ADVISER

Wolfstar Group Pty Ltd

Suite 12, L1, 11 Ventnor Avenue  
WEST PERTH WA 6005

Telephone: +61 8 6141 3500

Facsimile: +61 2 9227 0885

Website: [www.wolftstargroup.com.au](http://www.wolftstargroup.com.au)

# INTERIM FINANCIAL REPORT

31 December 2015

## ENSURANCE LIMITED

AND CONTROLLED ENTITIES

ABN 76 149 278 759

(Previously known as Parker Resources Limited)

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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 2015.

### 1. Directors

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

	Mr Adam Davey	Chairman
	Mr Stefan Hicks	Managing Director
	Mr Brett Graves	Executive Director
	Mr Neil Pinner	Non-executive Director
	Mr Brian Thomas	Non-executive Director ( <i>Resigned on 10 September 2015</i> )
	Mr Grant Priest	Non-executive Director ( <i>Appointed on 7 September 2015</i> )

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 for the half-year ended 31 December 2015 the Company achieved the following outcomes:

On 21 July, the Company announced that it achieved the first live and dynamic connection of its online real time insurance platform to a major global insurer.

On 11 August, the Company announced that Ensurance Underwriting Pty Ltd had agreed to register its fourth construction insurer onto its IT online panel.

On 7 September, the Company announced that it had appointed Mr Grant Priest as a Non-executive Director.

On 13 October, the Company announced it had completed binding over 1000 insurance policies on its wholesale IT platform through the three supporting insurers on the panel.

On 29 October, the Company announced that it had entered into an agreement with Australia's leading coupon company – Shop A Docket.

On 15 December, the Company announced it had entered into an agreement with leading South Sydney independent Mortgage Broker, FirstPoint to adopt its whitelabelled IT online general insurance platform.

#### 2.1. Financial Review

##### a. Operating results

The Group delivered a 31 December 2015 loss before tax of \$588,292 (Dec 2014: \$171,847 loss), representing a decline in profitability. The increase in loss was due to several main factors:

- ▶ Increases in revenue and other income of \$114,926 and \$486,196 respectively (the latter attributable to grant income)

Offset by:

- ▶ Increases in:
  - ▶ Employee benefits of \$619,762, comprised mainly of \$348,931 in software development wages. The balance of the increase relates to an increases in both the number and remuneration of directors and the increase in staff in both Ensurance Underwriting (2) and Savill Hicks NSW (4);
  - ▶ Depreciation and amortisation of \$137,193 (directly linked to increased expenditure on software development);
  - ▶ Business development costs of 140,926.

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.ii Financial position on page 8.

**Directors' report****b. Financial position**

The net assets of the Group have decreased from 30 June 2015 by \$586,381 to \$2,012,406 at 31 December 2015 (June 2015: \$2,598,787).

As at 31 December 2015, the Group's cash and cash equivalents decreased from 30 June 2015 by \$1,485,648 to \$999,884 at 31 December 2015 (June 2015: \$2,485,532) and had working capital of \$398,379 (June 2015: \$1,607,513 working capital).

**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 19.

**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 2015 has been received and can be found on page 3 of the Interim Financial Report.

**ADAM DAVEY**

Chairman

Dated this Monday, 29 February 2016

## Auditors' Independence Declaration

In relation to our review of the financial report of Ensurance Limited and its controlled entity for the half-year ended 31 December 2015, to the best of my knowledge and belief, there have been:

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

This declaration is in respect of Ensurance Limited and its controlled entity during the half-year ended 31 December 2015.

**MAZARS RISK & ASSURANCE PTY LIMITED**



Rosemary Megale  
Director

Dated in Sydney, this 29th day of February 2016.



**Condensed consolidated statement of profit or loss and other comprehensive income**

for half-year ended 31 December 2015

	Note	31 December 2015 \$	31 December 2014 \$
<b>Continuing operations</b>			
Revenue	2	1,423,398	1,308,472
Other income	2	636,410	150,214
		2,059,808	1,458,686
Business development		(249,558)	(108,632)
Compliance costs		(107,362)	(32,799)
Computers and communications		(96,486)	(135,426)
Depreciation and amortisation	3	(363,195)	(226,002)
Employment costs	3	(1,499,386)	(879,624)
Finance costs		(6,898)	(28,889)
Legal and consulting fees		(31,215)	(45,085)
Occupancy costs		(131,369)	(73,469)
Travel and accommodation		(91,662)	(84,662)
Other expenses		(70,969)	(41,955)
Loss before tax	3	(588,292)	(197,857)
Income tax benefit		-	26,010
<b>Net loss for the half-year</b>		<b>(588,292)</b>	<b>(171,847)</b>
<b>Other comprehensive income, net of income tax</b>			
Items that will not be reclassified subsequently to profit or loss:			
► Revaluation of assets		1,911	12,881
Items that may be reclassified subsequently to profit or loss:			
		-	-
<b>Other comprehensive income for the half-year, net of tax</b>		<b>1,911</b>	<b>12,881</b>
<b>Total comprehensive income attributable to members of the parent entity</b>		<b>(586,381)</b>	<b>(158,966)</b>
<b>Profit/(loss) for the period attributable to:</b>			
Non-controlling interest		-	(20,094)
Owners of the parent		(588,292)	(151,753)
<b>Total comprehensive income/(loss) attributable to:</b>			
Non-controlling interest		-	(20,094)
Owners of the parent		(586,381)	(138,872)
<b>Earnings per share:</b>			
Basic and diluted loss per share (cents per share)	4	(1.03)	(0.51)

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

**Condensed consolidated statement of financial position**

as at 31 December 2015

**Current assets**

Cash and cash equivalents  
Trade and other receivables  
Trust account insurer assets  
Current tax assets  
Other current assets

**Total current assets**
**Non-current assets**

Financial assets  
Plant and equipment  
Intangible assets

**Total non-current assets**
**Total assets**
**Current liabilities**

Trade and other payables  
Trust account insurer liabilities  
Current tax liabilities  
Provisions  
Borrowings

**Total current liabilities**
**Non-current liabilities**

Provisions

**Total non-current liabilities**
**Total liabilities**
**Net assets**
**Equity**

Issued capital  
Reserves  
Accumulated losses  
Non-controlling interest

**Total equity**

Note	31 December 2015 \$	30 June 2015 \$
5	999,884	2,485,532
6	31,311	56,507
8a	3,249,109	3,068,194
	-	603
7	90,418	19,884
	4,370,722	5,630,720
9	82,971	81,060
10	131,669	100,119
11	1,440,913	835,679
	1,655,553	1,016,858
	6,026,275	6,647,578
12	448,105	649,731
8b	3,249,109	3,068,194
	29,405	31,548
14	193,157	97,887
13	52,567	175,847
	3,972,343	4,023,207
14	41,526	25,584
	41,526	25,584
	4,013,869	4,048,791
	2,012,406	2,598,787
15,1e	6,097,054	6,097,054
16	( 131)	(2,042)
1e	(4,084,517)	(3,496,225)
	-	-
	2,012,406	2,598,787

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

**Condensed consolidated statement of changes in equity**

for the half-year ended 31 December 2015

	Note	Issued Capital \$	Accumulated Losses \$	Revaluation Reserve \$	Non- controlling Interest \$	Total \$
Balance at 1 July 2014		121,210	312,261	271	(43,228)	390,514
Loss for the half-year attributable owners of the parent		-	(151,753)	-	(20,094)	(171,847)
Other comprehensive income for the half-year attributable owners of the parent		-	-	12,881	-	12,881
<b>Total comprehensive income for the half-year attributable owners of the parent</b>		-	(151,753)	12,881	(20,094)	(158,966)
Transaction with owners, directly in equity						
Shares issued during the half-year		-	-	-	-	-
<b>Balance at 31 December 2014</b>		121,210	160,508	13,152	(63,322)	231,548
Balance at 1 July 2015	1e	6,097,054	(3,496,225)	(2,042)	-	2,598,787
Loss for the half-year attributable owners of the parent		-	(588,292)	-	-	(588,292)
Other comprehensive income for the half-year attributable owners of the parent		-	-	1,911	-	1,911
<b>Total comprehensive income for the half-year attributable owners of the parent</b>		-	(588,292)	1,911	-	(586,381)
Transaction with owners, directly in equity						
Shares issued during the half-year	15a	-	-	-	-	-
Transaction costs		-	-	-	-	-
Acquisition of minority interest		-	-	-	-	-
<b>Balance at December 2015</b>		6,097,054	(4,084,517)	( 131)	-	2,012,406

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

**Condensed consolidated statement of cash flows**  
for the half-year ended 31 December 2015

**Cash flows from operating activities**

Receipts from customers

Interest received

Interest and borrowing costs paid

Payments to suppliers and employees

Payments / Refund of income tax

**Net cash used in operating activities**
**Cash flows from investing activities**

Proceeds from asset development grant funds

Payment for development of software

Payment for financial assets

Purchase of plant and equipment

**Net cash used in investing activities**
**Cash flows from financing activities**

Proceeds from borrowings

**Net cash provided by financing activities**
**Net increase in cash held**

Cash and cash equivalents at the beginning of the half-year

**Cash and cash equivalents at the end of the half-year**

31 December 2015 \$	31 December 2014 \$
1,542,299	1,440,948
49,231	11,744
(6,898)	(70,536)
(2,444,008)	(1,440,329)
(1,541)	20,881
(860,917)	(37,292)
498,528	100,214
(950,594)	(508,826)
-	(3,236)
(49,385)	(38,008)
(501,451)	(449,856)
15,549	190,944
15,549	190,944
(1,346,819)	(296,204)
5a 2,346,703	305,355
5a 999,884	9,151

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

## Notes to the condensed consolidated financial statements

for the half-year ended 31 December 2015

### Note 1 Statement of significant accounting policies

These are the condensed 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 financial statements were authorised for issue on 29 February 2016 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 half-year ended 31 December 2015, together with any public announcements made during the half-year.

#### i. Statement of compliance

The half-year 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 half-year 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. Financial position

The condensed 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 incurred a loss for the half-year of \$588,292 (June 2015: \$171,847 loss) and a net cash out-flow of \$1,346,819 (June 2015: \$296,204 out-flow). The net assets of the Group have decreased from 30 June 2015 by \$586,381 to \$2,012,406 at 31 December 2015 (June 2015: \$2,598,787). As at 31 December 2015, the Group's cash and cash equivalents decreased from 30 June 2015 by \$1,485,648 to \$999,884 at 31 December 2015 (June 2015: \$2,485,532) and had working capital of \$398,379 (June 2015: \$1,607,513 working capital).





Based on a cash flow forecast, the Group has sufficient working capital to fund its mandatory obligations for the period ending 12 months from the date of this report. Should the Group be unable to generate sufficient funds from its operations or it is unable to raise sufficient capital, the planned operations and software development may have to be amended. The Board is confident in securing sufficient additional capital to fund the operations and software development program. The Directors consider the going concern basis of preparation to be appropriate based on forecast cash flows and confidence in raising additional funds.

#### iii. Reverse acquisition

Ensurance (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.

Ensurance Capital (the legal subsidiary) was deemed to be the acquirer for accounting purposes as it has obtained control over the operations of the legal acquirer Ensurance (accounting subsidiary). Accordingly, the condensed consolidated financial statements of Ensurance have been prepared as a continuation of the financial statements of Ensurance Capital. Ensurance Capital (as the deemed acquirer) has accounted for the acquisition of Ensurance from 5 May 2015. The comparative information presented in the condensed consolidated financial statements is that of Ensurance Capital.

The impact of the reverse acquisition on each of the primary statements is as follows:

-  The condensed consolidated statement of comprehensive income:
  -  for the half-year to 31 December 2015 comprises six months of Ensurance Capital and Ensurance; and
  -  for the comparative period comprises 1 July 2014 to 31 December 2014 of Ensurance Capital.
-  The condensed consolidated statement of financial position as at both 31 December 2015 and 30 June 2015 represents both Ensurance Capital and Ensurance as at that date.



## Notes to the condensed consolidated financial statements

for the half-year ended 31 December 2015

### Note 1 Statement of significant accounting policies

The condensed consolidated statement of changes in equity:

- ▶ for the half-year ended 31 December 2015 comprises Ensurance Capital's balance at 1 July 2015, its loss for the half-year and transactions with equity holders for six months. It also comprises Ensurance transactions within equity for the half-year ended 31 December 2015 and the equity value of Ensurance Capital and Ensurance at 31 December 2015. The number of shares on issue at the end of the half-year represent those of Ensurance only.
- ▶ for the comparative period comprises 1 July 2014 to 31 December 2014 of Ensurance Capital's changes in equity.

The condensed consolidated statement of cash flows:

- ▶ for the half-year ended 31 December 2015 comprises the cash balances of Ensurance Capital and Ensurance, as at 1 July 2015, the cash transactions for the six months (of Ensurance Capital and Ensurance) and the cash balances of Ensurance Capital and Ensurance at 31 December 2015.
- ▶ for the comparative period comprises 1 July 2014 to 31 December 2014 of Ensurance Capital's cash transactions.

#### iv. Use of estimates and judgments

The critical estimates and judgements are consistent with those applied and disclosed in the 30 June 2015 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 1d.

### b. Amendments to AASBs and the new Interpretation that are mandatorily effective for the current period

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective the current half-year.

- ▶ AASB 2015-3 – Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality
- ▶ AASB 2014-1 Part A – Amendments to Australian Accounting Standards [Part A – Annual Improvements 2010-2012 and 2011-2013 Cycles].
- ▶ AASB 2014-1 Part B – Amendment to Australian Accounting Standards [Part B – Defined Benefit Plans: Employee Contributions]
- ▶ AASB 2014-2 – Amendments to AASB 1053.

The adoption of amending Standards does not have any impact on the disclosures or the amount recognised in the Group's interim consolidated financial statements.

### c. 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 9 Financial Instruments

Revised principles for accounting for financial assets and liabilities: recognition and derecognition, classification, measurement, hedge accounting and impairment. The standards will be effective from 1 January 2018 and available for early adoption.

*The group has determined not to early adopt this standard and will assess the impact of the standard within the required time frame.*

#### ii. AASB 15 Revenue from Contracts with Customers

Introduces a single revenue recognition model based on the transfer of goods and services and the consideration expected to be received for that transfer. The standard will be effective from 1 January 2018.

*The group has determined not to early adopt this standard and will assess the impact of the standard within the required time frame.*

#### iii. AASB 16 Lease

Recognise right of use assets and liabilities arising from all leases, with exceptions for low value and short term leases. The standard will be effective from 1 January 2019.

*The group has determined not to early adopt this standard and will assess the impact of the standard within the required time frame.*

## Notes to the condensed consolidated financial statements

for the half-year ended 31 December 2015

### Note 1 Statement of significant accounting policies

#### d. 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 that directors' best estimate, pending an assessment by tax authorities in relevant jurisdictions.

##### 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.

Research costs are expensed in the period in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the consolidated entity is able to use or sell the asset; the consolidated entity has sufficient resources; and intent to complete the development and its costs can be measured reliably. Capitalised development costs are amortised on a straight-line basis over the period of their expected benefit, being their finite life of four years. Intangible assets' residual values and useful lives are under a process of continual review by the Board, and adjusted if appropriate, at the end of each reporting period.

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

#### e. Prior period correction

##### Business combinations

On 5 May 2015, Ensurance Limited (formerly Parker Resources Limited)(Ensurance), acquired 100% of the ordinary share capital and voting rights of Ensurance Capital Pty Ltd (Ensurance Capital) as described in the prospectus issued 6 February 2015 and supplementary prospectus issued 8 April 2015.

Under the principles of AASB 3, the transaction between Ensurance and Ensurance Capital was treated as a reverse acquisition. As such, the assets and liabilities of the legal subsidiary (the accounting acquirer), being Ensurance Capital, were measured at their pre-combination carrying amounts. The assets and liabilities of the legal parent (accounting acquiree), being Ensurance were measured at fair value on the date of acquisition.

Whilst the Company believed at the time this transaction was accounted for correctly in accordance with AASB 3, upon subsequent review, it was determined that a cash component paid by the legal parent to the vendors of the legal subsidiary should be brought into account in determining the fair value of the consideration transferred.

The effect of the correction was contained entirely within equity, and has no effect on the net asset of the Company. Furthermore, the effect is quarantined financial year ended 30 June 2015, effecting the results and equity balances of that period only. The correction has no effect on cash nor cash flows.

Details in relation to the impact of this correction on comparative financial information are disclosed following.

**Notes to the condensed consolidated financial statements**

for the half-year ended 31 December 2015

**Note 1 Statement of significant accounting policies**
**i. Adjustments made to statements of financial position (extract)**
**As at 30 June 2015**
**Assets**
**Net assets**
**Equity**

Issued capital

Reserves

Accumulated losses

**Total equity**
**ii. Statement of profit or loss and other comprehensive income (extract)**
**For the year ended at 30 June 2015**

Corporate transaction accounting expense

**Loss before income tax**

Income tax benefit

**Loss from continuing operations**

Other comprehensive income, net of income tax

**Total comprehensive income attributable to members of the parent entity**

Previously reported 30 June 2015 \$	Effect of accounting correction \$	30 June 2015 (restated) \$
-	-	-
6,517,547	(420,493)	6,097,054
(2,042)	-	(2,042)
(3,916,718)	420,493	(3,496,225)
2,598,787	-	2,598,787
3,159,454	(420,493)	2,738,961
(4,154,203)	420,493	(3,733,710)
(31,548)	-	(31,548)
(4,185,751)	420,493	(3,765,258)
(2,313)	-	(2,313)
(4,188,064)	420,493	(3,767,571)





**Notes to the condensed consolidated financial statements**

for the half-year ended 31 December 2015

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

(Loss) / profit for the half-year

Less: loss attributable to non-controlling equity interest

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

Note	31 December 2015 \$	31 December 2014 \$
	(588,292)	(171,847)
	-	(20,094)
	(588,292)	(151,753)
	31 December 2015 \$	31 December 2014 \$
4e	57,140,909	30,000,000
	31 December 2015 \$	31 December 2014 \$

**c. Earnings per share**

Basic EPS (cents per share)

4d (1.03) (0.51)

d. At the end of the half-year ended 31 December 2015, the Group has 1,000,000 unissued shares under options (Dec 2014: nil) and 8,000,000 partly-paid shares on issue (Dec 2014: nil). The Group does not report diluted earnings per share on annual losses generated by the Group. During half-year ended 31 December 2015 the Group's unissued shares under option and partly-paid shares were anti-dilutive.

e. As noted in 1a.iii, the equity structure in these consolidated financial statements following the reverse acquisition reflects the equity structure of Ensurance, being the legal acquirer (the accounting acquiree), including the equity interests issued by Ensurance to effect the business combination.

i. In calculating the weighted average number of ordinary shares outstanding (the denominator of the EPS calculation) for the half-year ended 31 December 2015 the number of ordinary shares outstanding for the half-year ended 31 December 2015 shall be the actual number of ordinary shares of Ensurance outstanding during that period.

ii. The basic EPS for the half-year ended 31 December 2014 shall be calculated by dividing:

- (1) the profit or loss of the Ensurance Capital attributable to ordinary shareholders in each of those periods by
- (2) the Ensurance Capital's historical weighted average number of ordinary shares outstanding multiplied by the exchange ratio established in the acquisition agreement.

**Note 5 Cash and cash equivalents**

Current

Cash at bank

Cash on hand

	31 December 2015 \$	30 June 2015 \$
	998,874	2,484,522
	1,010	1,010
	999,884	2,485,532
	31 December 2015 \$	30 June 2015 \$
a. Reconciliation of cash		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:		
Cash and cash equivalents	999,884	2,485,532
Bank overdrafts	-	(138,829)
	999,884	2,346,703

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## ENSURANCE CAPITAL PTY LTD

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### Notes to the condensed consolidated financial statements for the half-year ended 31 December 2015

#### Note 6 Trade and other receivables

##### Current

Trade receivables

Interest receivable

31 December 2015 \$	30 June 2015 \$
31,311	31,312
-	25,195
31,311	56,507

#### Note 7 Other assets

##### Current

Prepayments

Other

31 December 2015 \$	30 June 2015 \$
65,418	19,884
25,000	-
90,418	19,884

#### Note 8 Compliance of insurance assets versus insurance liabilities

##### a. Trust account insurer assets

Insurance debtors

Trust accounts

Total trust account insurance assets

31 December 2015 \$	30 June 2015 \$
1,464,397	1,309,331
1,784,712	1,758,863
3,249,109	3,068,194

##### b. Trust account insurer liabilities

Underwriter's liability

Unearned commissions

Other

Total trust account insurance liabilities

31 December 2015 \$	30 June 2015 \$
3,086,712	2,829,151
125,117	206,672
37,280	32,371
3,249,109	3,068,194

##### c. Excess of insurance assets over insurance liabilities

-	-
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#### Note 9 Financial assets

##### Non-current

Tier 1 Financial assets: Listed shares

Tier 2 Financial assets: Unlisted shares or funds

Bonds on deposit

31 December 2015 \$	30 June 2015 \$
6,134	3,826
32,950	33,347
43,887	43,887
82,971	81,060



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### Notes to the condensed consolidated financial statements for the half-year ended 31 December 2015

#### 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 2015 \$	30 June 2015 \$
159,068	109,202
(75,923)	(62,217)
83,145	46,985
113,405	115,038
(64,881)	(61,904)
48,524	53,134
131,669	100,119

#### Note 11 Intangible assets

##### Non-current

Software development costs

Accumulated amortisation

Total intangible assets

31 December 2015 \$	30 June 2015 \$
2,514,766	1,564,172
(1,073,853)	(728,493)
1,440,913	835,679

#### Note 12 Trade and other payables

##### Current

##### Unsecured

Trade payables

Other payables

Other taxes

Related party payables

Grant funds received in advance

31 December 2015 \$	30 June 2015 \$
187,392	206,752
64,221	87,140
194,007	218,472
2,485	2,485
-	134,882
448,105	649,731

#### Note 13 Borrowings

##### Current

Bank overdrafts

Convertible notes


Lease liabilities

31 December 2015 \$	30 June 2015 \$
-	138,829
2,681	2,681
49,886	34,337
52,567	175,847

**Notes to the condensed consolidated financial statements**

for the half-year ended 31 December 2015

**Note 14 Provisions**
**Disclosed as:**
 Current





 Non-current

Carrying amount at the end of year

31 December 2015 \$	30 June 2015 \$
193,157	97,887
41,526	25,584
234,683	123,471

**Note 15 Issued capital**
**Note**

Fully paid ordinary shares at no par value

	31 December 2015 No.	30 June 2015 No.	31 December 2015 \$	30 June 2015 (restated) \$
	57,140,909	57,140,909	6,097,054	6,097,054
	6 months to 31 December 2015 No.	12 months to 30 June 2015 No.	6 months to 31 December 2015 \$	12 months to 30 June 2015 (restated) \$
a. <b>Ordinary shares</b>				
At the beginning of the period	57,140,909	2,006,254	6,097,054	121,210
Shares issued during the period:				
 Conversion of notes	-	141,779	-	425,337
<i>Balance before reverse acquisition</i>	-	2,148,033	-	546,547
 Elimination of existing legal acquiree (Ensurance Capital) shares	-	(2,148,033)	-	-
 Shares of legal acquirer (Ensurance) at acquisition date	-	27,140,909	-	-
 Issue of shares to Ensurance Capital vendors	-	30,000,000	-	5,550,507
Transaction costs relating to share issues	-	-	-	-
At reporting date	57,140,909	57,140,909	6,097,054	6,097,054

**b. Partly paid shares**

Partly-paid Shares

**c. Options**

Options exercisable at 20 cents expiring 19 September 2016

31 December 2015 \$	30 June 2015 \$
8,000,000	8,000,000
1,000,000	1,000,000

**Note 16 Reserves**
**Note**

Investment revaluation reserve

31 December 2015 \$	30 June 2015 \$
( 131)	(2,042)

**Note 17 Commitments**

There is no change in the Company's commitments or contingencies since the year ended 30 June 2015 to date of this report.

**Notes to the condensed consolidated financial statements**  
for the half-year ended 31 December 2015

**Note 18 Related party transactions**
**a. Key management personnel (KMP) compensation**

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

	31 December 2015 \$	31 December 2014 \$
Short-term employee benefits	630,849	261,047
Post-employment benefits	57,067	20,213
<b>Total</b>	<b>687,916</b>	<b>281,260</b>
<b>b. Other related party transactions</b>		
Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.		
☞ Payments made in respect to remuneration of related parties of the KMP:		
▶ K Graves	23,163	43,800
▶ C Hicks	-	43,800
▶ P Huntly	38,472	38,325

**Note 19 Operating segments**
**a. Segment Performance**
**Half-Year ended 31 December 2015**
**Revenue**

	Insurance \$	Information Technology \$	All other segments \$	Total \$
☞ Revenue	1,399,361	-	-	1,399,361
☞ Grant funding	-	633,410	-	633,410
☞ Interest revenue	13,528	-	10,509	24,037
<b>Total segment revenue</b>	<b>1,412,889</b>	<b>633,410</b>	<b>10,509</b>	<b>2,056,808</b>
<i>Reconciliation of segment to group revenue</i>				
☞ Intra-segment income and expense	(319,846)	(35,220)	355,066	-
☞ Other income	3,000			3,000
<b>Total group revenue and other income</b>				<b>2,059,808</b>
<i>Segment net loss from continuing operations before tax</i>	<b>(202,975)</b>	<b>489,447</b>	<b>(511,570)</b>	<b>(225,098)</b>
<i>Reconciliation of segment loss to group loss</i>				
(i) Amounts not included in segment results but reviewed by Board:				
☞ Depreciation and amortisation	(28,411)	(334,783)	-	(363,194)
(ii) Unallocated items				-
<b>Loss before income tax</b>				<b>(588,292)</b>



**Notes to the condensed consolidated financial statements**

for the half-year ended 31 December 2015

**Note 19 Operating segments (cont.)**
**Half-Year ended 31 December 2014**
**Revenue**

	Insurance \$	Information Technology \$	All other segments \$	Total \$
Revenue	1,296,728	-	-	1,296,728
Grant funding	-	150,214	-	150,214
Interest revenue	11,744	-	-	11,744

**Total segment revenue**
**Reconciliation of segment to group revenue**

Intra-segment income and expense	(220,982)	172,704	48,278	-
Other income				-

**Total group revenue and other income**
**Segment net loss from continuing operations before tax**

	(109,719)	186,856	(48,991)	28,146
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**Reconciliation of segment loss to group loss**

(i) Amounts not included in segment results but reviewed by Board:

Depreciation and amortisation	(7,835)	(218,168)	-	(226,003)
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(ii) Unallocated items

**Loss before income tax**

			0	(197,857)
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**b. Segment Assets and Liabilities**
**As at 31 December 2015**
**Segment Assets**
**Reconciliation of segment to group assets**

Intra-segment eliminations				(13,907,683)
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**Total assets**
**Segment Liabilities**
**Reconciliation of segment to group liabilities**

Intra-segment eliminations				(5,036,720)
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**Total liabilities**
**As at 30 June 2015**
**Segment Assets**
**Reconciliation of segment assets to group assets**

Intra-segment eliminations				(10,727,703)
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**Total assets**
**Segment Liabilities**
**Reconciliation of segment to group liabilities**

Intra-segment eliminations				(3,107,193)
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**Total liabilities**



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### Notes to the condensed consolidated financial statements for the half-year ended 31 December 2015

#### **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.



## 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



**ADAM DAVEY**

Chairman

Dated this Monday, 29 February 2016

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

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

We have reviewed the accompanying half-year financial report of Ensurance Limited and its controlled entity, which comprises the statement of financial position as at 31 December 2015 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 entity it controlled at the half-year end or from time to time during the half-year ended 31 December 2015.

### ***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 2015 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 entity during the half-year ended 31 December 2015, 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*.

### *Auditor's Opinion*

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 entity 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 2015 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*.

### **MAZARS RISK & ASSURANCE PTY LIMITED**



Rosemary Megale  
Director

Dated in Sydney, this 29th day of February 2016.

